



TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD

GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 ext 1100 • FAX (508) 839-4602
www.grafton-ma.gov

**BOARD OF SELECTMEN
MEETING AGENDA**

April 4, 2017
Municipal Center, Conference Room A
7:00 p.m.

CALL TO ORDER

ANNOUNCEMENTS

PUBLIC COMMENTS

1. SCHEDULE

- a) Senator Moore – State Budget Update
- b) [Jim Barry from Green Communities – Stretch Code Presentation](#)
- c) Peter Collins – Lake Quinsigamond Commission
- d) [Tom Scanlon – Audit Presentation](#)
- e) Ray Mead - Bridge Street Renovations Discussion
- f) [Peter Carlson – CIPC Update and Presentation on Recommendations](#)

2. APPOINTMENTS

Board of Selectmen

Town Administrator

- a) [Peter Mackiewicz – Part Time Seasonal Cemetery Laborer](#)
- b) [Chase Heck – Part Time Seasonal Cemetery Laborer](#)

3. RESIGNATIONS

4. NEW BUSINESS

- a) [Vote to award – Stowe Road Drainage Contract](#)
- b) [Vote to adopt – Fuel Efficient Vehicles Policy](#)

- c) [Vote to Review and Sign – May 8, 2017 Special Town Meeting Warrant](#)
- d) [Vote to Review and sign – May 8, 2017 Annual Town Meeting Warrant](#)
- e) Vote to set the ballot for May 16, 2017 – Library and DPW Projects

5. SELECTMEN REPORTS / TA REPORTS

6. CORRESPONDENCE

7. DISCUSSION

8. [MEETING MINUTES – 1/3/2017, 1/10/2017](#)

EXECUTIVE SESSION

MGL Chapter 30A, Sec. 21(3)
Litigation Update
Litigation Strategy
Union Negotiations
Land Negotiation
Non Union Negotiations
Strategy for Negotiations
Minutes

ADJOURN



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**BOARD OF SELECTMEN
MEETING MINUTES**

July 19, 2016
Municipal Center, Conference Room A
7:00 p.m.

RECEIVED TOWN CLERK
GRAFTON, MA
2016 DEC 2 AM 9 47

CALL TO ORDER: At 7:01 PM A regular Board of Selectmen meeting was called to order. Present: Jennifer Thomas, Bruce Spinney, Sargon Hanna, Jennifer Thomas, Tim McInerney, Doug Willardson and Laura St. John- Dupuis. Absent: Craig Dauphinais

Green Communities – Kelly Brown with the Energy Committee

Ms. Kelly Brown: gave the Board an overview of the Green Communities Division, that was formed 2008 from Green Community Act. Hub for all matters related to green communities. The program offer consulting services, Grant Programs, such as MDEP electric vehicle incentive program for the purchasing of electric vehicles, once a month programs with up to \$10M in grant funding per year. To access funds, the community must be designated as a "Green Community".

To become a Green Community

- Adopt as a right sighting for RE/RA Generation, research and development. Manufacturing.
- Adopt expedited permitting process
- Create an energy reduction plan to reduce energy use by 20% in 5 years
- Purchase only fuel efficient vehicles- adopt a fuel efficiency policy, if replacing a vehicle that they get a certain MPH some vehicles that are exempt, DPW, police etc. BOS would need to adopt this. The superintendent of schools would approve also
- Minimize life cycle cost in new construction- adopt the stretch code. 178 communities have adopted the stretch code since 2010. A lot of the communities are working to become green. 155 are currently green community and once done can get funding.

Stretch Energy Code: The Board of Building Regulations and Standards, put in place 12AA it's an appendix to the base building code. The Stretch Energy Code is about 20% of what has happened since the base code has been updated. The Stretch Code has not changed in the last 6 years. The Base Code and Stretch Code are caught up. The Base Code changes every three years. In the process of adopting the 2015 International

Energy Conservation Code and looking at the next version of what the Stretch Code will be. Instead of having an appendix and base code. There will be a 55 HERS rating, if in a stretch community 55 will be required, which will just be following the base code.

The Stretch Code has to go to Town Meeting for a vote. The State offers information session and highly advises have these sessions. They explain the base code, stretch code and cost analysis. They will bring the plan to Board of Selectmen for adoption, it allows 5 years to meet it. The Can set for 2 years back.

Mr. McInerney asked Grafton needs Town Meeting approval for the application to be designated. Ms. Brown said need to have the date and the application deadline is October 31st. Once it is passed its easy to submit the documentation.

Ms. Brown stated that Sutton is a great case study and has met their 20% goal. Ms. Doreen DeFazio of the Energy Committee stated the Town of Sutton recently applied for these grants. Sutton decided to take partial savings from other Green Communities projects and they set up a capital plan and if doing any green projects, they are taken into consideration first. The Board in Sutton has been really great about supporting these projects

Ms. Defazio stated that the School in Sutton had to replace the roof, they decided to put solar panels on the roof and it did help the school. They do not have an electric bill.

Mr. Hanna asked for more info on the cost analysis. Ms. Brown advised the Town to have an informational session. Residents aren't used to adopting a code. The cost analysis is on the website. There is an increase because of costs but because of the incentives it makes it cash flow positive.

Ms. Defazio stated that the Energy Committee are very much in support of this.

Library – Building Project Update-Beth Galloway

Beth Galloway addressed the Board stating that the Library completed a building program which is one of the requirements and held to a standard of Mass Board of Library Commissioners. We wanted them to know that we listened to what was said when they drafted the Building Program. View the program at www.Graftonlibrary.com
We are still taking feedback.

Ms. Galloway stated that by 2035 there should be 122K volumes in the library where there are currently 35k. In reality the library does not think we need to be there in 20 years due to streaming services.

There should be a certain number of seats per thousands of residents. Had to use population guidelines in 20 years.

The committee will be reviewing submittals by architects on Wednesday.

COMMONWEALTH OF MASSACHUSETTS

*Charles D. Baker, Governor
Karyn Polito, Lt. Governor
Matthew A. Beaton, Secretary
Judith Judson, Commissioner*



The Green Communities Program – Partnering with Massachusetts Cities and Towns

Jim Barry – Regional Coordinator

*Grafton
April 4, 2017*

Green Communities Grant Program

- Provides up to \$20M annually in grants and loans to **qualifying** communities (RGGI Auction proceeds)
 - Grants will fund significant energy efficiency initiatives, renewable energy, innovative projects

● 5 Qualification Criteria

1. Adopt as-of-right siting, in designated locations, for RE/AE generation, or RE/AE R&D, or RE/AE manufacturing
2. Adopt expedited (12 month) application/permitting process
3. Establish an energy use baseline inventory with a program to reduce baseline by 20% in 5 years
4. Purchase only fuel-efficient vehicles
5. Require all new residential construction and new commercial and industrial real estate construction to minimize life-cycle energy costs



Green Communities

Designation and Grant Program

- Designation grant allocations based on a \$125K base plus a population/per capita income formula; maximum \$1M.
 - **Grafton estimated grant amount \$155,000**
- Competitive grants available annually up to \$250,000 per applicant for Green Communities. More than \$65M awarded in total for both designation and competitive grant programs
- Projects being funded include energy conservation measures, solar PV projects, incremental costs for hybrid vehicles.

Grafton's Neighboring Green Communities

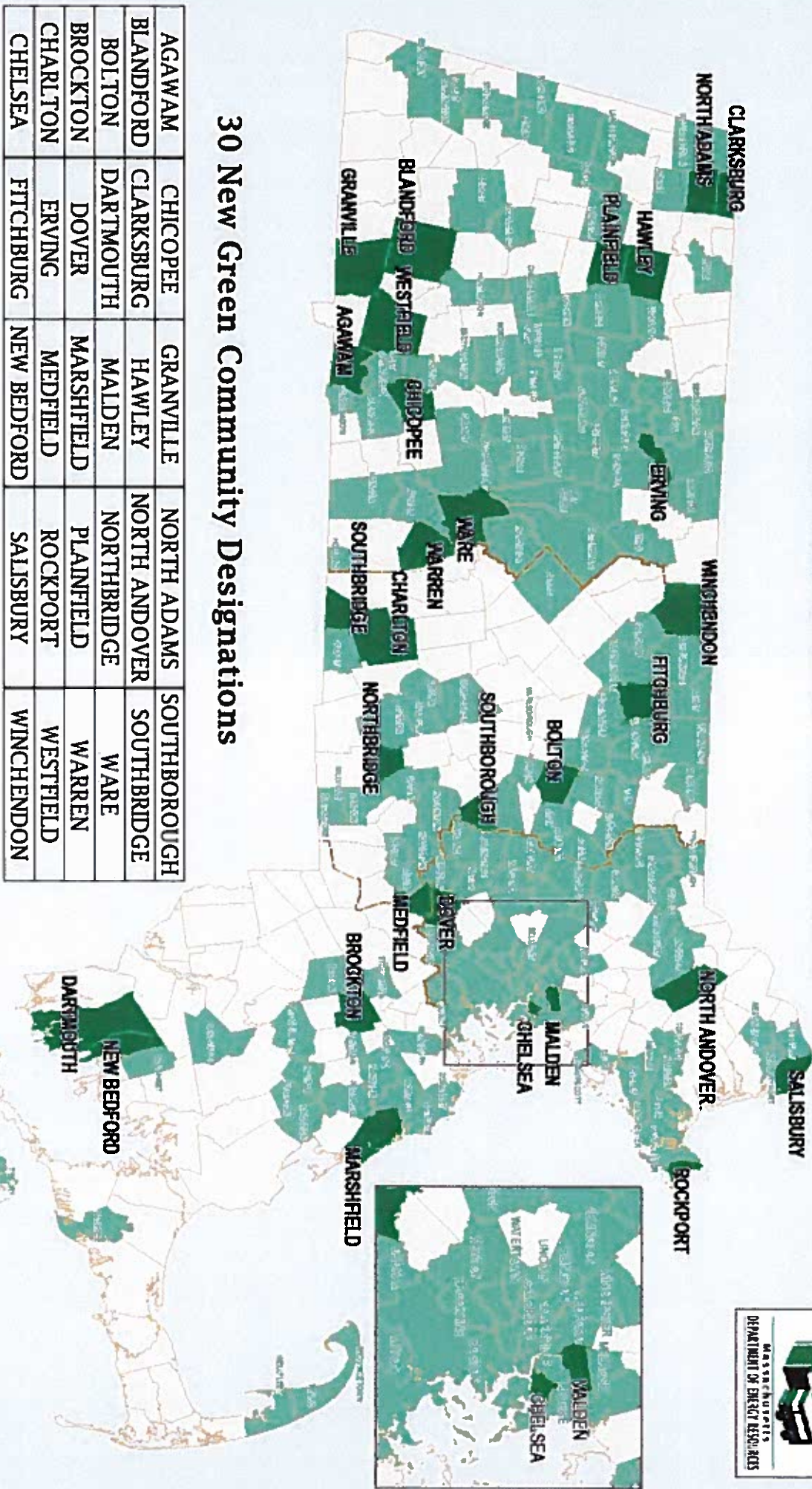
Community	Year	Grants
Hopkinton	2010	\$ 580,496
Millbury	2011	\$ 662,282
Sutton	2011	\$ 434,579
Upton	2015	\$ 318,983



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



GREEN COMMUNITY DESIGNATIONS REACH ONE HUNDRED EIGHTY-FIVE





One hundred ninety (190) municipalities have adopted the Board of Building Regulations and Standards (BBRS) Stretch Code, as of March 13, 2017

Criteria #5 – Minimize Life Cycle Costs

Require all new residential construction and all new commercial and industrial real estate construction to minimize, to the extent feasible, the life-cycle cost of the facility by utilizing energy efficiency, water conservation and other renewable or alternative energy technologies.

The DOER recommended way for cities and towns to meet this requirement is by adopting the BBRS Stretch Code (780 CMR 115.AA) an appendix to the MA State Building Code.

- In a town, the Stretch Code must be adopted as a general bylaw or article at Town Meeting.



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



Criteria #5: Require new buildings to be more Energy Efficient

Municipalities can meet this criteria by adopting the new BBRs Stretch Code

- Stretch Code is an optional appendix to the 8th Edition of the Mass Building Code 780 CMR
 - Only for new residential and commercial construction
 - Repairs, additions, alterations follow Base Energy Code
- Follows the Base Energy Codes performance paths (IECC 2015 and ASHRAE 90.1 2013)
- Training for Building Officials has been done
- Provides for **Performance** testing, rather than **Prescriptive** measures.



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



Stretch Code old MIS-conceptions

- ‘*Stretch Code is new and experimental.*’
No; It is based on Energy Star for Home, 20+ years
And many towns have over 6 years experience
- ‘*Stretch Code requires tight unhealthy homes*’
No; Building science has evolved
Current code already requires stringent air sealing
- ‘*We will give up our “local control” if we adopt it*’
No; There is no local control over the State wide
Building Code. You can opt-out of SC anytime.



MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



Stretch Code old MIS-conceptions

“Town residents will be required to update their existing homes”

**No; the New Stretch Code only applies to
NEW residential construction and
NEW commercial construction > 100,000 sq ft**

**It explicitly exempts additions, renovations
& repairs from the Stretch Code**



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



The Stretch Code is no longer much of a Stretch

A few years ago, the Stretch Code WAS a bit of a stretch compared to the base energy code (IECC 2009).

But on July 1, 2014 a new base energy code (IECC 2012) took effect. Your town currently operates under this more energy efficient code.

This code “caught up” with the Stretch Code and some builders say that the Stretch Code is ‘easier’ to comply with than that 2012 Code (insulation levels for example...)



Massachusetts
DEPARTMENT OF ENERGY RESOURCES

Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



The Stretch Code is no longer much of a Stretch

January 1, 2017 – there is now a **NEW** base energy code (IECC 2015) and an associated **NEW** Stretch Code which will be almost **NO** Stretch at all.

Basic difference in cost is for a HERS Energy Rater which is required by Stretch Code for new residential construction.

Costs between \$750 and \$1250 for typical single family home.

MassSave rebate covers most of this extra HERS cost.



MASSACHUSETTS
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Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



Existing Residential Incentives

- Similar Requirements as the Stretch Code
 - Approx 30% of new homes in MA are eligible
- Builder incentives/rebates
 - \$750 - \$7000 for Single Family
 - \$350 - \$4,000 for Multi Family/unit
- HERS raters
 - \$700 - \$900 Single Family
 - \$250 - \$550 Multi Family/unit
- Additional Equipment Rebates
 - Appliances – up to \$50 (low income)
 - Heating – up to \$1,500
 - Water Heating – up to \$800
 - Cooling – up to \$500
 - Lighting – free LEDs



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



What does Stretch Code Apply to?

Same application as the MA base energy code

- Insulation
- Doors, Windows, Skylights
- Mechanical Equipment
- Lighting
- Appliances
- Building tightness
- Duct tightness
- Renewables



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



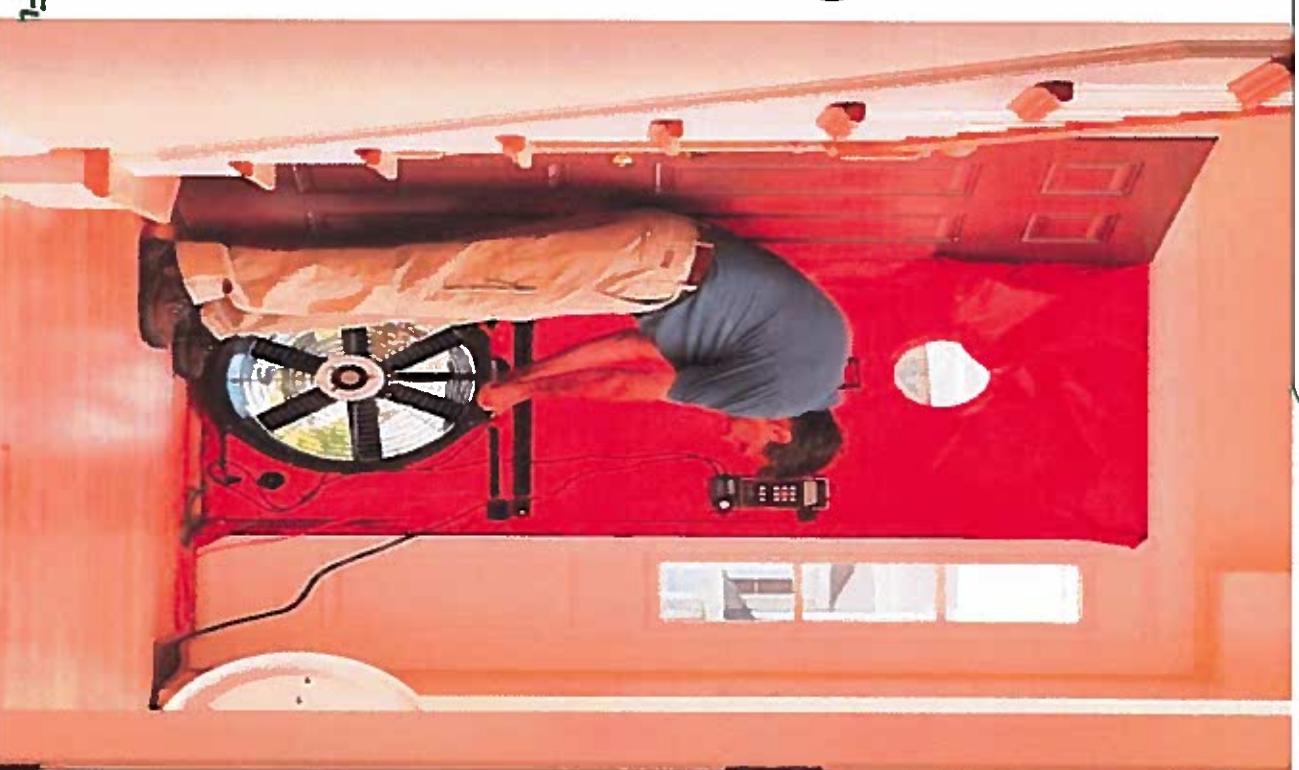
What is HERS Process?

1. Review Building Plans via Computer Modeling
2. In-process inspections
 - First inspection
 - Thermal Bypass Checklist
 - Duct tightness test (if applicable)
 - Second Inspection (usually combined with 1st)
 - Insulation
 - Final Inspection
 - Blower door test
3. Finalize energy model based on verified performance and equipment



Massachusetts
DEPARTMENT OF ENERGY RESOURCES

Creating a Clean, Affordable and Resilient Energy Fu



What is a HERS Rating?

(Home Energy Rating System)

Annualized energy analysis

Heating, Cooling, Water Heating,
Lighting and Appliances....

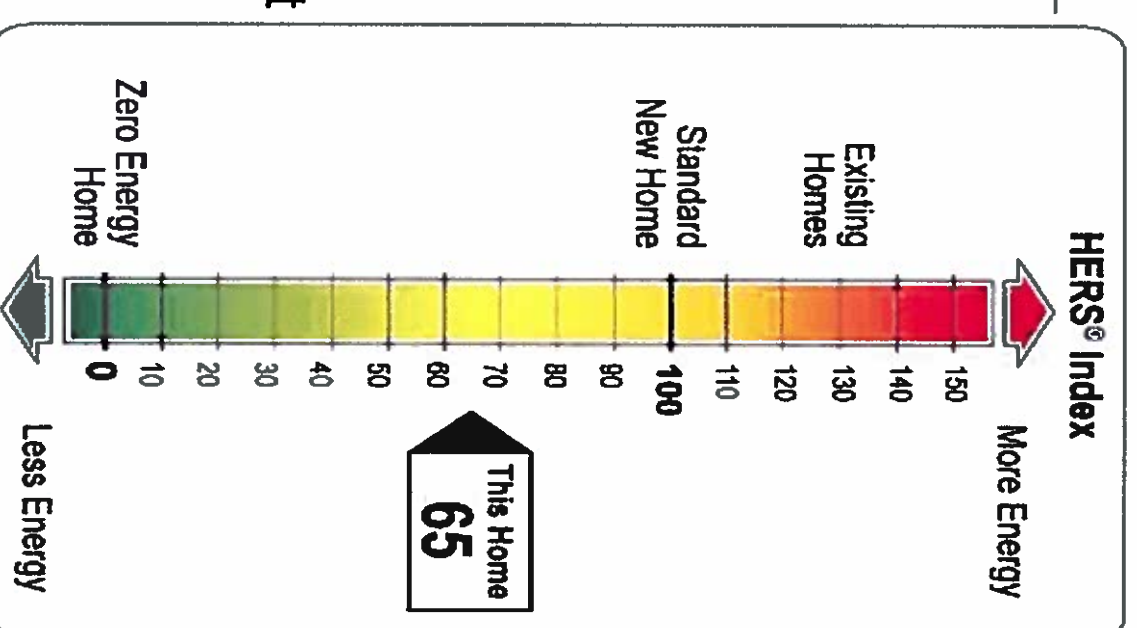
On site power generation-renewable energy

Reference Home

- Based on IECC **2006** Code
(International Energy Conservation Code)
Defined as 100 Points
- 1 percent change in consumption = 1 point

HERS 65 means about

35% more efficient than reference home



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



9th Edition Stretch Code Modeling Analysis 2200 sq. ft. 3 BR Single Family Electric Heat Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	57

Energy Rating Index (HERS)

PASS ☐

Cost Alternative

PASS ☐

REScheck – UA Alternative

PASS ☒



Electric Heat Pump

ERI compliance requires a
HERS Index of max. 55 and
a Certified HERS Rating

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒

HERS Index (ERI)	
Stretch	49

Changes to meet STRETCH CODE

Cost or (Savings)

Builder Costs	Estimated cost of adjustments + HERS Rater fee	\$2,066
	Utility rebates ¹	(\$4,793)
	Cost compared to BASE CODE	(\$2,727)
Homebuyer Costs	Estimated reduced energy cost per year ²	(\$567)
	Change to downpayment ³	(\$273)
	Change to annual mortgage payment ³	(\$141)
	Year 1 cash flow	(\$980)
	Year 2+ cash flow	(\$708)

1 - Incentives revised annually around July 1

2 - Energy costs are based on 21 cents/kWh / \$1.01/therm, savings are compared with BASE CODE home

3 - 30 Year Mortgage assumes 10% downpayment at 4% APR

March 2016

9th Edition Stretch Code Modeling Analysis

2200 sq. ft. 3 BR Single Family Electric Heat
Worcester, MA

BASELINE FEATURES

FOUNDATION	Unconditioned, uninsulated basement
FLOOR	R30 fiberglass Grade 1
WALLS	R21 fiberglass Grade 1
WINDOWS (U-VALUE/SHGC)	0.30/0.30
CEILING – FLAT	R-19 + R-30 fiberglass cross
CEILING – SLOPED	R-30 fiberglass Grade 1
HEATING	10 HSPF Heat Pump
COOLING	19 SEER Heat Pump
DHW	0.95 EF Tank Electric Resistance WH
DUCT LEAKAGE TO OUTSIDE	N/A Ductless
AIR INFILTRATION	3.0 ACH50
LED/CFL LIGHTING	75%

March 2016 4 – LED value assumed at \$10/bulb for 20 bulbs

2015 STRETCH CODE HERS (ERI)		Adjusted Features	Construction Cost/(savings)
HERS Index (ERI)		HERS Rating	\$1,350
Base	57	Floor R30 Grade 2	(\$64)
Stretch	49	Walls R21 Grade 2	(\$120)
		Ceiling – Sloped R30 Grade 2	(\$20)
		11.3HSPF/19.1SEER Heat Pump	\$500
		3.25 EF Heat Pump DHW	\$419
		LED Lighting 100%	\$0
		Total Cost	\$2,066
MassSave Incentive Breakdown		Incentive	
RNC Program Tier II		\$1,250	
Heat Pump – MassSave and MassCEC		\$2,593	
Heat Pump Water Heater Incentive		\$750	
RNC Program LED light bulbs ⁴		\$200	
Total Incentive		\$4,793	
Total Cost compared to BASE CODE		(\$2,727)	

9th Edition Stretch Code Modeling Analysis

2200 sq. ft. 3 BR Single Family Propane Heat Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	62

Energy Rating Index (HERS)

PASS ☒

Cost Alternative

PASS ☒

REScheck – UA Alternative

PASS ☒



Propane Heat

ERI compliance requires a
HERS Index of 55 and a
Certified HERS Rating

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒

HERS Index (ERI)	
Stretch	55

1 - Incentives revised annually around July 1

2 - Energy costs are based on 21 cents/kWh / \$1.01/therm, savings are compared with BASE CODE home

3 - 30 Year Mortgage assumes 10% downpayment at 4% APR

August 2016

Changes to meet STRETCH CODE		Cost or (Savings)
Builder Costs	Estimated cost of adjustments + HERS Rater fee	\$2,017
	Utility rebates ¹	(\$2,250)
	Cost compared to BASE CODE	(\$233)
Homebuyer Costs	Estimated energy cost change per year ²	(\$117)
	Change to downpayment ³	(\$233)
	Change to annual mortgage payment ³	\$0
	Year 1 cash flow	(\$350)
	Year 2+ cash flow	(\$117)

9th Edition Stretch Code Modeling Analysis

2200 sq. ft. 3 BR Single Family Propane Heat

Worcester, MA

BASELINE FEATURES

FOUNDATION	Unconditioned, uninsulated basement
FLOOR	R30 fiberglass Grade 1
WALLS	R21 fiberglass Grade 1
WINDOWS (U-VALUE/SHGC)	0.30/0.30
CEILING – FLAT	R-19 + R-30 fiberglass cross
CEILING – SLOPED	R-30 fiberglass Grade 1
HEATING	92% Furnace x1
COOLING	13 SEER x1
DHW	0.62 EF 40 gallon tank
DUCT LEAKAGE TO OUTSIDE	4%
AIR INFILTRATION	3.0 ACH50
HIGH EFFICACY LIGHTING	75%

2015 STRETCH CODE HERS (ERI)

HERS Index (ERI)		Adjusted Features	Construction Cost/(savings)
Base	62		
Stretch	55	HERS Rating	\$1,350
		Floor R30 Grade 2	(\$64)
		95% Furnace x1	\$639
		0.95 Tankless DHW	\$92
		100% LED lighting	\$0
		Total Cost	\$2,017
Incentive Breakdown		Incentive	
MassSave RNC Program Tier I		\$750	
MassSave RNC Program LED light bulbs ⁴		\$200	
Furnace 295% AFUE rating equipped with ECM		\$500	
On-Demand, Tankless Water Heater with an Energy Factor 20.94 and electronic ignition		\$800	
Total Incentive		\$2,250	
Total Cost compared to BASE CODE		(\$233)	

9th Edition Stretch Code Modeling Analysis

2200 sq. ft. 3 BR Single Family Natural Gas Heat Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	62

Energy Rating Index (HERS)

PASS ☐

Cost Alternative

PASS ☐

REScheck – UA Alternative

PASS ☒

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒



Natural Gas Heat
ERI compliance requires a
HERS Index of 55 and a
Certified HERS Rating

HERS Index (ERI)	
Stretch	55

1 - Incentives revised annually around July 1

2 - Energy costs are based on 21 cents/kWh / \$1.01/therm, savings are compared with BASE CODE home

3 - 30 Year Mortgage assumes 10% downpayment at 4% APR

Changes to meet STRETCH CODE

Cost or (Savings)

Estimated cost of adjustments + HERS Rater fee

\$2,017

Builder Costs

Utility rebates¹

(\$2,050)

Cost compared to BASE CODE

(\$33)

Estimated energy cost change per year²

(\$165)

Change to downpayment³

(\$33)

Change to annual mortgage payment³

\$0

Year 1 cash flow

(\$198)

Year 2+ cash flow

(\$165)

March 2016

9th Edition Stretch Code Modeling Analysis 2200 sq. ft. 3 BR Single Family Natural Gas Heat Worcester, MA

BASELINE FEATURES

FOUNDATION	Unconditioned, uninsulated basement
FLOOR	R30 fiberglass Grade 1
WALLS	R21 fiberglass Grade 1
WINDOWS (U-VALUE/SHGC)	0.30/0.30
CEILING – FLAT	R-19 + R-30 fiberglass cross
CEILING – SLOPED	R-30 fiberglass Grade 1
HEATING	92% Furnace x1
COOLING	13 SEER x1
DHW	0.62 EF 40 gallon tank
DUCT LEAKAGE TO OUTSIDE	4%
AIR INFILTRATION	3.0 ACH50
HIGH EFFICACY LIGHTING	75%

2015 STRETCH CODE HERS (ERI)

HERS Index (ERI)		Adjusted Features	Construction Cost/(savings)
Base	62		
Stretch	55		
		HERS Rating	\$1,350
		Floor R30 Grade 2	(\$64)
		95% Furnace x1	\$639
		0.95 Tankless DHW	\$92
		100% LED lighting	\$0
		Total Cost	\$2,017

Incentive Breakdown	Incentive
MassSave RNC Program Tier I	\$750
MassSave RNC Program LED light bulbs ⁴	\$200
Furnace ≥95% AFUE rating equipped with ECM	\$300
On-Demand, Tankless Water Heater with an Energy Factor ≥0.94 and electronic ignition	\$800
Total Incentive	\$2,050
Total Cost compared to BASE CODE	(\$33)

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Electric Heat
Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	60

Energy Rating Index (HERS)

PASS ☒

Cost Alternative

PASS ☒

REScheck – UA Alternative

PASS ☒

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒



Electric Heat Pump

ERI compliance requires a
HERS Index of max. 55 and
a Certified HERS Rating

HERS Index (ERI)	
Stretch	53

1 - Incentives revised annually
around July 1

2 - Energy costs are based on 21
cents/kWh / \$1.01/therm, savings
are compared with BASE CODE
home

3 - 30 Year Mortgage assumes 10%
downpayment at 4% APR

March 2016

Changes to meet STRETCH CODE			Cost or (Savings)
Builder Costs	Estimated cost of adjustments + HERS Rater fee		\$1,503
	Utility rebates ¹		(\$1,700)
	Cost compared to BASE CODE		(\$197)
Homebuyer Costs	Estimated reduced energy cost per year ²		(\$827)
	Change to downpayment ³		(\$20)
	Change to annual mortgage payment ³		(\$10)
	Year 1 cash flow		(\$837)
Year 2+ cash flow			(\$817)

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Electric Heat
Worcester, MA

BASELINE FEATURES

FOUNDATION	<i>Unconditioned, uninsulated basement</i>
FLOOR	R30 fiberglass Grade 1
WALLS	R21 fiberglass Grade 1
WINDOWS (U-VALUE/SHGC)	0.30/0.30
CEILING – FLAT	R-19 + R-30 fiberglass cross
CEILING – SLOPED	R-30 fiberglass Grade 2
HEATING	8.2 HSPF Heat Pump
COOLING	14 SEER Heat Pump
DHW	0.95 EF Tank Electric Resistance WH
DUCT LEAKAGE TO OUTSIDE	N/A Ductless
AIR INFILTRATION	3.0 ACH50
LED/CFL LIGHTING	75%

2015 STRETCH CODE HERS (ERI)

HERS Index (ERI)		Adjusted Features	Construction Cost/(savings)
Base	60	HERS Rating	\$1,350
Stretch	53	Floor R30 Grade 2	(\$111)
		Wall R21 Grade 2	(\$154)
		3.25 EF Heat Pump DHW	\$419
		LED Lighting 100%	\$0
		Total Cost	\$1,503
MassSave Incentive Breakdown			Incentive
RNC Program Tier I			\$750
Heat Pump Water Heater Incentive			\$750
RNC Program LED light bulbs ⁴			\$200
Total Incentive			\$1,700
Total Cost compared to BASE CODE			<u>(\$197)</u>

4 – LED value assumed at \$10/bulb for 20 bulbs

March 2016

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Natural Gas Heat Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	58

Energy Rating Index (HERS)

PASS ☐

Cost Alternative

PASS ☒

REScheck – UA Alternative


PASS ☒

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒



 Natural Gas Heat
ERI compliance requires a
HERS Index of 55 and a
Certified HERS Rating

HERS Index (ERI)	
Stretch	52

1 - Incentives revised annually around July 1

2 - Energy costs are based on 21 cents/kWh / \$1.01/therm, savings are compared with BASE CODE home

3 - 30 Year Mortgage assumes 10% downpayment at 4% APR

March 2016

Changes to meet STRETCH CODE			Cost or (Savings)
Builder Costs	Estimated cost of adjustments + HERS Rater fee		\$1,442
	Utility rebates ¹		(\$1,750)
	Cost compared to BASE CODE		(\$308)
Homebuyer Costs	Estimated energy cost change per year ²		(\$200)
	Change to downpayment ³		(\$31)
	Change to annual mortgage payment ³		(\$16)
	Year 1 cash flow		(\$247)
		Year 2+ cash flow	(\$216)

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Natural Gas Heat

Worcester, MA

BASELINE FEATURES

FOUNDATION	<i>Unconditioned, uninsulated basement</i>
FLOOR	<i>R30 fiberglass Grade 1</i>
WALLS	<i>R21 fiberglass Grade 1</i>
WINDOWS (U-VALUE/SHGC)	0.30/0.30
CEILING – FLAT	R-19 + R-30 fiberglass cross
CEILING – SLOPED	R-30 fiberglass Grade 2
HEATING	92% Furnace x2
COOLING	13 SEER x2
DHW	0.62 EF 50 gallon tank
DUCT LEAKAGE TO OUTSIDE	4%
AIR INFILTRATION	3.0 ACH50
HIGH EFFICACY LIGHTING	75%

2015 STRETCH CODE HERS (ERI)

HERS Index (ERI)	
Base	58
Stretch	52

Adjusted Features	Construction Cost/(savings)
HERS Rating	\$1,350
0.95 Tankless DHW	\$92
100% LED lighting	\$0
Total Cost	\$1,442

Incentive Breakdown		Incentive
MassSave RNC Program Tier I		\$750
MassSave RNC Program LED light bulbs ⁴		\$200
On-Demand, Tankless Water Heater with an Energy Factor ≥0.94 and electronic ignition		\$800
Total Incentive		\$1,750
Total Cost compared to BASE CODE		(\$308)

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Propane Heat Worcester, MA

2015 BASE CODE Three Compliance Options

HERS Index (ERI)	
Base	58

Energy Rating Index (HERS)

PASS ☐

Cost Alternative

PASS ☐

REScheck – UA Alternative


PASS ☒

2015 STRETCH CODE HERS (ERI) Compliance Option

Energy Rating Index (HERS)

PASS ☒



 Propane Heat
ERI compliance requires a
HERS Index of 55 and a
Certified HERS Rating

HERS Index (ERI)	
Stretch	52

1 - Incentives revised annually around July 1

2 - Energy costs are based on 21 cents/kWh / \$1.01/therm, savings are compared with BASE CODE home

3 - 30 Year Mortgage assumes 10% downpayment at 4% APR

August 2016

Changes to meet STRETCH CODE			Cost or (Savings)
Builder Costs	Estimated cost of adjustments + HERS Rater fee		\$1,442
	Utility rebates ¹		(\$1,750)
	Cost compared to BASE CODE		(\$308)
Homebuyer Costs	Estimated energy cost change per year ²		(\$120)
	Change to downpayment ³		(\$31)
	Change to annual mortgage payment ³		(\$16)
	Year 1 cash flow		(\$167)
Year 2+ cash flow		(\$136)	

9th Edition Stretch Code Modeling Analysis

3800 sq. ft. 3 BR Single Family Propane Heat
Worcester, MA

BASELINE FEATURES

FOUNDATION	<i>Unconditioned, uninsulated basement</i>
FLOOR	<i>R30 fiberglass Grade 1</i>
WALLS	<i>R21 fiberglass Grade 1</i>
WINDOWS (U-VALUE/SHGC)	<i>0.30/0.30</i>
CEILING – FLAT	<i>R-19 + R-30 fiberglass cross</i>
CEILING – SLOPED	<i>R-30 fiberglass Grade 2</i>
HEATING	<i>92% Furnace x2</i>
COOLING	<i>13 SEER x2</i>
DHW	<i>0.62 EF 50 gallon tank</i>
DUCT LEAKAGE TO OUTSIDE	<i>4%</i>
AIR INFILTRATION	<i>3.0 ACH50</i>
HIGH EFFICACY LIGHTING	<i>75%</i>

2015 STRETCH CODE HERS (ERI)

HERS Index (ERI)		Adjusted Features	Construction Cost/(savings)
Base	58	HERS Rating	\$1,350
Stretch	52	0.95 Tankless DHW	\$92
		100% LED lighting	\$0
		Total Cost	\$1,442

Incentive Breakdown		Incentive
MassSave RNC Program Tier I		\$750
MassSave RNC Program LED light bulbs ⁴		\$200
On-Demand, Tankless Water Heater with an Energy Factor ≥0.94 and electronic ignition		\$800
Total Incentive		\$1,750
Total Cost compared to BASE CODE		<u>(\$308)</u>

Stretch code documentation

- Residential HERS rater requirements
 - Permit – plan review submittal with projected HERS rating ‘based on plans’
 - Certificate of Occupancy – Certified HERS index score based on final blower-door, duct testing
- Large Commercial – Energy Model requirements
 - Plan review – ASHRAE 90.1 Appendix G energy model submitted with plans
 - Certificate of Occupancy – Final energy model showing as-built building meets 10% savings



Commercial Stretch energy code – 2016

- Large Commercial = Annual Energy use 10% below ASHRAE 90.1-2013 - Appendix G modeling
 - Appendix G also used for LEED certification
- Applies to:
 - New construction over 100,000 sqft
 - Labs, Supermarkets, conditioned warehouses over 40,000 sqft



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth





Commercial Incentives

- Incentives available for commercial:
 - New Construction/Major Renovation and Replacing Failed Equipment
 - The New Construction Program is for business customers who are building new facilities, undergoing major renovations of an existing facility, or replacing failed equipment.
 - Large Retrofit Program
 - The Retrofit Program is designed for business customers who want to replace or refit aging, inefficient equipment and systems with energy efficient technologies.
 - Small Business Program
 - The Small Business Program offers technical and financial assistance to help small businesses find ways to become more energy efficient and save money.
 - Multi-Family Buildings Program
 - Mass Save® offers energy efficiency improvement or replacement opportunities for facilities with five (5) or more dwelling units.

<http://www.masssave.com/en/business/incentive-programs>



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



Green Communities Contacts

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Website: <http://www.mass.gov/eea/energy-utilities-clean-tech/green-communities/>



Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth



TOWN OF GRAFTON, MASSACHUSETTS

MANAGEMENT LETTER

FOR THE YEAR ENDED JUNE 30, 2016

TOWN OF GRAFTON, MASSACHUSETTS

Management Letter

Year Ended June 30, 2016

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To the Board of Selectmen
Town of Grafton
Grafton, Massachusetts

Dear Members of the Board:

In planning and performing our audit of the basic financial statements of the Town of Grafton as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Grafton's internal accounting control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Definitions

- A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We have already discussed these comments and suggestions with Town personnel. We will be pleased to discuss them in further detail and to assist you in implementing the recommendations.

The Town's written response to our comments and suggestions has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the management, the Board of Selectmen, others within the entity and the Commonwealth of Massachusetts Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.


Scanlon & Associates, LLC
South Deerfield, Massachusetts

December 7, 2016

CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Deficit Accounts

Comment:

During our audit we noted several accounts that were in deficit at June 30, 2016. A summary is as follows:

Chapter 90 Highway Grant	(a)	\$	(162,016)
School Grants	(a)		(38,240)
Police Off-Duty Detail	(a)		(33,589)
Destination Imagination	(a)		(22,514)
Public Safety Grants	(a)		(18,807)
Other	(a)		(12,333)

(a) - DOR Reduction to Free Cash Certification

Our testing on these accounts revealed these accounts were the result of timing issues of receipts and expenditures, lack of timely request for reimbursement from granting agencies and lack of reconciliation from departments to the Town's general ledger. During our fieldwork we had communications with the Town Accountant and other Town Personnel with regard to these accounts.

We recommend the Town financial personnel implement procedures to review all deficit accounts on a periodic basis to determine why they are in deficit and how the deficit will be provided for or eliminated. Furthermore, we recommend that Departments monitor their respective accounts to ensure deficit accounts are properly funded.

Town's Response:

The Town will implement procedures to review on a periodic basis deficit accounts to ensure they are properly funded.

2. Future GASB Statements - OPEB

Comment:

The GASB has issued new pronouncements that will significantly impact the accounting and financial reporting requirements for Other Post-employment Benefits (OPEB). The new standards issued are as follows:

- GASB Statement No. 74 – *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*. This statement is required to be implemented in fiscal year 2017
- GASB Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. This statement is required to be implemented in fiscal year 2018

Given the significant impact of these GASB statements on the Town's financial accounting and reporting we recommend that the Town familiarize and educate themselves with the statements.

Town's Response:

The Town will familiarize and educate themselves on the above GASB statements.

PRIOR YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Establish Finance Director Position

Prior Year Comment:

The Town currently operates with a General Fund budget in excess of 50 million dollars. The structure of the Town's Finance Department consists of the Town Accountant, Town Treasurer, Tax Collector and Board of Assessors. The structure of the current financial operations of the Town is consistent with smaller municipalities within the Commonwealth.

The Financing Department as a whole is responsible for performing diverse and complex financial and accounting transactions for the Town.

The Town should consider structuring a Finance Department headed by a Finance Director. The Finance Director could also serve as the Town's Chief Financial Officer, who is responsible for establishing and maintaining sound financial policies and controls. This individual could also help work with the various Town boards and departments to create a cohesive financial control environment.

We recommend that the Town consider establishing the position of a finance director.

Status- Fiscal Year 2016 Audit:

The Town has taken our recommendation under consideration, and will monitor the need for a Finance Director Position.

2. New OMB Circular

Prior Year Comment:

In December 2013 the Office of Management and Budget (OMB) released new guidance on administrative requirements, cost principles and audit requirements for federal awards, which has been so called the "Super Circular" or "Omni Circular". This new guidance supersedes and streamlines requirements contained in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133 by consolidating the requirements of those eight documents into one. The new guidance affects entities receiving and administering federal awards as well as auditors responsible for auditing federal award programs. The goal of this reform is to provide guidance that ease the administrative burden of federal awards, strengthen oversight over federal funds to reduce risks of waste, fraud and abuse and eliminate duplicate and conflicting guidance between circulars. The new guidance will be in effect for all federal awards or funding to non-federal entities on or after December 26, 2014 and will apply to non-federal entity audits for fiscal years beginning on or after that date (fiscal year 2016).

We recommend Town personnel that administer and account for federal awards familiarize themselves with this new guidance.

Status- Fiscal Year 2016 Audit:

Town personnel who are responsible for the administering of federal awards have familiarized themselves with the new circular. We encourage Town personnel to continue reviewing the new OMB circular.

3. Review Indirect Costs for Sewer Enterprise Fund

Prior Year Comment:

The Town maintains an enterprise fund to account for its sewer operations. As part of maintaining the enterprise fund the Town charges the enterprise fund for indirect costs of the Town (i.e. insurance, interdepartmental support). As part of the audit we review the indirect costs and have found them to be proper. However, we noted that that indirect costs does not include a cost for retirement assessment. We recommend that Town review the indirect cost framework and determine if a cost for retirement should be included.

Status- Fiscal Year 2016 Audit:

The Town has taken our recommendation under advisement. We strongly encourage to review the indirect costs charged to the Sewer fund and to include retirement as part of indirect costs.

4. Older Individual Bank Statement Reconciling Items (Outstanding Checks)

Prior Year Comment:

During our fieldwork we reviewed the individual bank statement reconciliations. We noted that the vendor and payroll account bank reconciliations has approximately \$15,100 and \$13,100, respectively, of outstanding checks being utilized as reconciling items that are in excess of a year old. We recommend that the Town review these older outstanding checks and take steps to resolve them from being a reconciling item (i.e. tailings).

Status- Fiscal Year 2016 Audit:

The Treasurer has reviewed the outstanding checks and has taken tailings on the older items noted in above comment. Furthermore, the Treasurer has implemented a yearly procedure to review older outstanding bank statement reconciling items.

TOWN OF GRAFTON, MASSACHUSETTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND INDEPENDENT AUDITORS' REPORTS REQUIRED
UNDER THE SINGLE AUDIT ACT AMENDMENTS OF 1996**

FOR THE YEAR ENDED JUNE 30, 2016

TOWN OF GRAFTON, MASSACHUSETTS

**Independent Auditors' Reports Pursuant to
Governmental Auditing Standards and
The Single Audit Act Amendments of 1996**

For the Year Ended June 30, 2016

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Grafton, Massachusetts' basic financial statements, and have issued our report thereon dated December 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Grafton, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Grafton, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scanlon & Associates, LLC
South Deerfield, Massachusetts

December 7, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Grafton, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Grafton, Massachusetts' major federal programs for the year ended June 30, 2016. The Town of Grafton, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Grafton, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Grafton, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Grafton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Grafton, Massachusetts, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Town of Grafton, Massachusetts, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Grafton, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-1, that we consider to be a significant deficiency.


The Town of Grafton, Massachusetts' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Grafton, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Grafton, Massachusetts' basic financial statements. We issued our report thereon dated December 7, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Scanlon & Associates, LLC
South Deerfield, Massachusetts

December 7, 2016

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Agriculture				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	14-110	\$	12,822
National School Lunch Program	10.555	14-110		186,264
Total Child Nutrition Cluster			-	199,086
Food Distribution-School Lunch Commodities	10.565	14-110		52,990
Total U. S. Department of Agriculture			-	252,076
U. S. Department of Justice				
Direct Program:				
Bulletproof Vest Partnership Program	16.607			2,475
Total U. S. Department of Justice			-	2,475
U. S. Department of Transportation				
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Homeland Security				
State and Community Highway Safety:				
Traffic Enforcement	20.600			9,096
Total U. S. Department of Transportation			-	9,096
U. S. Office of Personnel Management				
Direct Program:				
Intergovernmental Personnel Act Assignment Agreement	27.011			99,048
Total U. S. Office of Personnel Management			-	99,048
Institute of Museum and Library Services				
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners				
Library Services and Technology Act - Full Steam Ahead	45.310			4,842
Total Institute of Museum and Library Services			-	4,842
TOTAL FEDERAL AWARDS EXPENDED - PAGE 1 OF 3			\$ -	\$ 367,537

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Education				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies:				
Title I - 2015	84.010	305-053639-2015-0110	\$	9,775
Title I - 2016	84.010	305-069162-2016-0110		198,526
Total Title I Grants to Local Educational Agencies			-	208,301
Special Education Cluster:				
Special Education 94-142 Allocation - 2015	84.027	240-098-5-0110-P		34,153
Special Education 94-142 Allocation - 2016	84.027	240-182-6-0110-Q		588,938
Special Education Program Improvement - 2015	84.027	274-256-5-0110-P		11,229
Special Education Program Improvement - 2016	84.027	274-236-6-0110-Q		20,994
Early Childhood SPED Program Improvement - 2015	84.173	298-584-5-0110-P		216
Early Childhood SPED Program Improvement - 2016	84.173	298-786-6-0110Q		1,372
Total Special Education Cluster - Department of Elementary and Secondary Education			-	656,902
Improving Teacher Quality State Grants:				
Teacher Quality - 2015	84.367	140-059916-2015-0110		28,541
Teacher Quality - 2016	84.367	140-081192-2016-0110		1,485
Total Improving Teacher Quality State Grants			-	30,026
Passed Through Commonwealth of Massachusetts				
Department of Early Education and Care:				
Special Education Cluster:				
Special Education Early Childhood Allocation - 2016	84.173	EEC-262		23,295
Total Special Education Cluster - Department of Early Education and Care			-	23,295
Total U. S. Department of Education			-	918,524
TOTAL FEDERAL AWARDS EXPENDED - PAGE 2 OF 3			\$ -	\$ 918,524

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Health and Human Services				
Passed Through National Association of County and City Health Officials:				
Medical Reserve Corps	93.008		\$	29,841
Passed Through City of Worcester, Massachusetts:				
Public Health Emergency Preparedness	93.069			480
Total U. S. Department of Health and Human Services			-	30,321
U. S. Department of Homeland Security				
Passed Through Commonwealth of Massachusetts Emergency Management Agency:				
Emergency Management Performance Grants	97.042			12,895
Total U. S. Department of Homeland Security			-	12,895
TOTAL FEDERAL AWARDS EXPENDED - PAGE 3 OF 3			-	43,216
TOTAL FEDERAL AWARDS EXPENDED - PAGE 2 OF 3			-	918,524
TOTAL FEDERAL AWARDS EXPENDED - PAGE 1 OF 3			-	367,537
TOTAL FEDERAL AWARDS EXPENDED			\$ -	\$ 1,329,277

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

TOWN OF GRAFTON, MASSACHUSETTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Town of Grafton, Massachusetts, under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Grafton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Grafton, Massachusetts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Grafton, Massachusetts has elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

TOWN OF GRAFTON, MASSACHUSETTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ☒ Yes ☐ None Reported

Type of Auditor’s Report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	U. S. Department of Education – Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A significant deficiency in internal control over compliance is reported as finding 2016-1 following on page 13.

SECTION IV – PRIOR YEAR FINDINGS

None

**TOWN OF GRAFTON, MASSACHUSETTS
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2016**

Finding 2016-001 – Documentation of Internal Control Procedures (Significant Deficiency in Internal Control Over Compliance) – All U. S. Department of Education Grants

Passed Through Commonwealth of Massachusetts Department of Elementary and Secondary Education and Department of Early Education and Care

Criteria:

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), states in section 200.303 that non-federal entities must establish and maintain effective internal control over federal awards that provides the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" (also known the "The Green Book"), issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Green Book states in section OV4.08 that documentation is a necessary part of an effective internal control system.

Condition:

Although the Grafton Public Schools has designed and implemented many internal controls in administering federal award programs, the Grafton Public Schools has not documented their internal control system over federal awards.

Effect:

Lack of documentation of internal control policies and procedures may lead to situations of non-compliance with federal requirements for allowable costs, cash management, etc.

Questioned Costs:

None noted.

Recommendation:

We recommend that the Grafton Public Schools establish written policies and procedures for administering federal grant awards.

Views of Responsible Officials and Planned Corrective Actions:

Grafton Public Schools will establish written policies and procedures for administering federal grants that will comply with the federal guidance.

**TOWN OF GRAFTON, MASSACHUSETTS
CORRECTIVE ACTION PLAN
JUNE 30, 2016**

Finding 2016-1:

Grafton Public Schools will establish written policies and procedures for administering federal grants that will comply with the federal guidance.

TOWN OF GRAFTON, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2016

TOWN OF GRAFTON, MASSACHUSETTS

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other postemployment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Grafton, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016, on our consideration of the Town of Grafton Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Grafton, Massachusetts' internal control over financial reporting and compliance.



Scanlon & Associates, LLC
South Deerfield, Massachusetts

December 7, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Grafton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$82,928,875 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows exceeded liabilities by \$85,705,673 a decrease of \$2,776,798 (3%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$18,273,635, a decrease of \$3,051,090 (14%) in comparison with the prior year.
- The General Fund's total fund balance decreased \$719,542 (7%) to \$10,011,556. The ending General fund balance is 17% of revenues and transfers in and 17% of expenditures and transfers out.
- Total liabilities of the Town increased by \$10,663,167 (13%) to \$93,902,260 during the fiscal year. This net change resulted mainly from increases in bond anticipation notes payable of \$6,932,971 for a wastewater treatment plant project, OPEB obligation payable of \$3,167,921 and net pension liability of \$3,205,723 and net decrease in bonds and leases payable of approximately \$2,620,824.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$2,186,331. The key factors that attributed to the free cash amount for fiscal year 2016 were unexpended/unencumbered appropriations of \$362,900, excess over budget state and local receipt of \$501,600 and prior year free cash not appropriated of \$813,000.
- The Town's enterprise fund certified free cash is as follows:
 - Sewer fund \$ 1,229,566.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Grafton's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflow of resources, liabilities and deferred inflows of resources with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activity includes the sewer activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Grafton adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights
Statement of Net Position Highlights

	Governmental Activities		
	2016	2015	Change
Assets:			
Current assets	\$ 23,567,594	\$ 27,061,480	\$ (3,493,886)
Capital assets	122,476,107	121,787,863	688,244
Total assets	146,043,701	148,849,343	(2,805,642)
Deferred Outflows of Resources:			
Deferred outflows related to pensions	1,766,038	10,436	1,755,602
Liabilities:			
Current liabilities (excluding debt and leases)	2,531,868	3,552,218	(1,020,350)
Current debt	2,584,684	2,550,824	33,860
Noncurrent liabilities (excluding debt and leases)	40,687,029	34,620,076	6,066,953
Noncurrent debt	34,900,906	37,485,590	(2,584,684)
Total liabilities	80,704,487	78,208,708	2,495,779
Deferred Inflows of Resources:			
Deferred inflows related to pensions	171,233	-	171,233
Net Position:			
Net investment in capital assets	85,007,177	81,772,274	3,234,903
Restricted	9,691,965	11,301,873	(1,609,908)
Unrestricted	(27,765,123)	(22,423,076)	(5,342,047)
Total net position	\$ 66,934,019	\$ 70,651,071	\$ (3,717,052)

	Business-Type Activities		
	2016	2015	Change
Assets:			
Current assets	\$ 6,390,848	\$ 4,594,830	\$ 1,796,018
Noncurrent assets (excluding capital assets)	658,418	800,299	(141,881)
Capital assets	22,088,998	14,689,502	7,399,496
Total assets	29,138,264	20,084,631	9,053,633
Deferred Outflows of Resources:			
Deferred outflows related to pensions	60,202	356	59,846
Liabilities:			
Current liabilities (excluding debt)	2,132,845	984,644	1,148,201
Current debt	7,012,971	70,000	6,942,971
Noncurrent liabilities (excluding debt)	1,061,957	905,741	156,216
Noncurrent debt	2,990,000	3,070,000	(80,000)
Total liabilities	13,197,773	5,030,385	8,167,388
Deferred Inflows of Resources:			
Deferred inflows related to pensions	5,837	-	5,837
Net Position:			
Net investment in capital assets	12,086,027	11,549,502	536,525
Restricted	1,865,822	2,702,566	(836,744)
Unrestricted	2,043,007	802,534	1,240,473
Total net position	\$ 15,994,856	\$ 15,054,602	\$ 940,254

Financial Highlights
Statement of Activities Highlights

	Governmental Activities		
	2016	2015	Change
Program Revenues:			
Charges for services	\$ 3,236,450	\$ 3,150,481	\$ 85,969
Operating grants and contributions	18,852,032	16,444,383	2,407,649
Capital grants and contributions	499,710	928,546	(428,836)
General Revenues:			
Property taxes	36,934,263	35,853,547	1,080,716
Motor vehicle excise and other taxes	2,891,042	2,579,867	311,175
Penalties and interest on taxes	89,563	86,964	2,599
Nonrestricted grants	1,485,213	2,764,261	(1,279,048)
Unrestricted investment income	236,298	86,104	150,194
Gain on sale of capital asset	-	58,723	(58,723)
Miscellaneous	19,143	13,670	5,473
Total revenues	64,243,714	61,966,546	2,277,168
Expenses:			
General government	3,475,123	3,492,116	(16,993)
Public safety	3,763,561	3,932,356	(168,795)
Public works	3,556,579	3,596,416	(39,837)
Education	37,369,521	35,603,387	1,766,134
Health and human services	593,702	572,960	20,742
Culture and recreation	1,548,109	1,408,672	139,437
Employee benefits and insurance	15,481,961	12,479,375	3,002,586
State assessments	875,880	855,545	20,335
Interest	1,457,405	1,514,194	(56,789)
Total expenses	68,121,841	63,455,021	4,666,820
Contributions to permanent funds	21,075	17,100	3,975
Transfers	140,000	140,000	-
Change in net position	(3,717,052)	(1,331,375)	(2,385,677)
Net position - beginning of year	70,651,071	71,982,446	(1,331,375)
Net position - end of year	\$ 66,934,019	\$ 70,651,071	\$ (3,717,052)

	Business-Type Activities		
	2016	2015	Change
Program Revenues:			
Charges for services	\$ 2,507,842	\$ 2,030,214	\$ 477,628
Operating grants and contributions	-	37,519	(37,519)
General Revenues:			
Unrestricted investment income	163,745	28,090	135,655
Total revenues	2,671,587	2,095,823	575,764
Expenses:			
Sewer	1,591,333	1,545,529	45,804
Total expenses	1,591,333	1,545,529	45,804
Transfers	(140,000)	(140,000)	-
Change in net position	940,254	410,294	529,960
Net position - beginning of year	15,054,602	14,644,308	410,294
Net position - end of year	\$ 15,994,856	\$ 15,054,602	\$ 940,254

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,928,875 at the close of fiscal year 2016.

Net position of \$97,093,204 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$11,557,787 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$25,722,116).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

The business-type activities are able to report positive balances in all three categories of net position.

The governmental activities net position decreased by \$3,717,052 (5%) during the current fiscal year, which reflects the general fund's results of operation. The key elements of the decrease in net position for fiscal year 2016 was attributed to an increase in the net effect of capital asset activity (capitalization verses depreciation) of \$688 thousand, the repayment of debt and lease principal of \$2.5 million and in the change in deferred outflow/inflow of resources related to pensions of \$1.6 million; and from decreases in the change in the OPEB liability of approximately \$3.1 million and in the change of net pension liability of \$3.1 million.

There was an increase of \$940,254 (6%) in net position reported in connection with the sewer business-type activity.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, the *general fund unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$18,273,635 a decrease of \$3,051,090 (14%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$719,844 (4%)
- Restricted fund balance – \$6,826,133 (37%)
- Committed fund balance – \$2,490,985 (14%)
- Assigned fund balance – \$1,524,237 (8%)
- Unassigned fund balance – \$6,712,436 (37%)

Major Governmental Funds

At the end of the fiscal year, the General Fund reported a total fund balance of \$10,011,556 decreasing \$719,542 (7%) from the prior year. Of the \$10,011,556, the unassigned amount is \$6,712,436 (67%), the assigned amount is \$1,524,237 (15%), the committed amount is \$980,257 (10%) and the restricted amount is \$794,626 (8%). General fund revenues were \$3,722,903 (7%) more than the prior fiscal year and expenditures also increased by \$4,323,370 (8%). Other activities in the General Fund are net transfers to the nonmajor governmental funds of \$1,516,701 and a transfer in from the sewer business-type activity of \$140,000.

The main components of the change in general fund revenues as compared to the prior year are related to an increase property taxes in the amount of \$1,264,629 (4%), investment income of \$150,194 (174%) and in intergovernmental – “on-behalf” payments of \$1,739,130 (56%).

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in Education expenditures of \$2,116,220 (7%).
- Increase in Employee benefits and insurance of \$1,778,580 (20%).

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Fund

The *Sewer Fund* has accumulated a fund balance of \$15,994,856 used in the financing and operations of the Town's sewer system. The fund shows an increase of \$940,254 (6%) in total operations. This change is attributed to current operational revenues exceeding the current operational expenses by \$984,646, investment income of \$163,745, special assessments revenue of \$37,896, interest expense of \$106,033 and transfers to the general fund of \$140,000. Operating revenues increased by \$474,780 (24%), which is directly related to a rate increase, while operating expenses decreased by \$28,150 (2%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2016 was \$54,725,413. This was an increase of \$2,385,777 (5%) over the previous year's budget.

There was an increase between the total original budget and the total final amended budget. The change is attributed to adjustments voted at various special town meetings for various budget operating line items.

General fund expenditures were less than budgeted by \$1,753,454. Of the \$1,753,454 in under budget expenditures, \$1,390,582 has been carried over to fiscal year 2017.

There is a negative variance in interest on taxes of \$14,078 as expectations (budget) were higher than the receipts.

A negative variance exists in State assessments of \$29,067 as the Town had a higher assessment in the school choice sending tuition than budgeted and lower assessments in special education and charter school sending tuition than budgeted.

The variance with the final budget was a positive \$1,092,998 consisting of a revenue surplus of \$730,126 and an appropriation surplus of \$362,872.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$122,476,107 and \$22,088,998, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Foreclosure property for \$16,161.
- Land purchase for \$70,000.
- Municipal center selectman's meeting room improvements for \$48,196.
- Town House improvements for \$3,061,066.
- Police radio upgrades for \$34,604.
- Police vehicle purchases for \$68,384.
- Fire Department vehicle purchase for \$66,008.
- Department of public works roof replacement for \$34,700.
- Department of public works vehicles and equipment for \$212,900.
- Road and sidewalk infrastructure improvements for \$1,553,795.
- School equipment for \$14,705.
- Elementary school improvements for \$621,265.
- Upton Street Park improvements for \$12,065.

Major capital events in the business-type funds included the following:

- Sewer Waste Water Treatment Plant improvements for \$7,827,385.

Debt. The Town's outstanding governmental debt as of June 30, 2016 totaled \$37,241,660 consisting of \$29,310,000 for the new high school, \$1,650,000 for the new fire station, \$225,000 for school modular classrooms, \$735,000 for land acquisition, \$4,245,000 for energy conservation projects, \$1,060,000 for the Town House restoration and \$16,660 for the Title V septic repair program.

The Town also has a capital lease for the financing of a fire department rescue truck. The lease is due in 2018. The Town currently owes \$252,746 on the lease consisting of \$243,930 in principal and \$8,816 in interest.

The business-type fund has \$3,070,000 in sewer debt.

The business-type activity currently has a \$6,932,971 in bond anticipation note outstanding.

Please refer to notes 3D, 3F, 3G and 3H for further discussion of the major capital assets and debt activity.

Next Year's Annual Town Meeting

The Town of Grafton operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2016 do not reflect the fiscal year 2017 Town Meeting action actions with the exception of the fund balance (free cash) and continuing appropriations amounts used to fund the budget. The Annual Town Meeting on May 9, 2016 authorized a fiscal year 2017 operating and capital budget as follows:

From the tax levy		\$ 52,587,790
From sewer receipts	\$ 1,419,963	
From sewer betterments	38,688	
From sewer retained earnings	499,686	1,958,337
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash	1,113,911	
Continuing Appropriations	30,159	1,144,070
Non-major Governmental Funds:		
Community preservation fund		555,844
		<u>\$ 56,246,041</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Grafton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 30 Providence Road Grafton, Massachusetts.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 11,449,136	\$ 922,393	\$ 12,371,529
Investments	8,308,809	3,042,543	11,351,352
Receivables, net of allowance for uncollectibles:			
Property Taxes	210,890	-	210,890
Tax Liens	948,913	-	948,913
Excise Taxes	142,392	-	142,392
Departmental	34,789	-	34,789
User Charges	-	271,299	271,299
Special Assessments	-	96,421	96,421
Due from Other Governments	2,472,665	2,058,192	4,530,857
Total current assets	23,567,594	6,390,848	29,958,442
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	658,418	658,418
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	25,985,190	10,483,685	36,468,875
Depreciable	96,490,917	11,605,313	108,096,230
Total noncurrent assets	122,476,107	22,747,416	145,223,523
Total Assets	146,043,701	29,138,264	175,181,965
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,766,038	60,202	1,826,240
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	1,000,825	2,089,128	3,089,953
Accrued Payroll	207,924	5,917	213,841
Retainage Payable	164,766	-	164,766
Payroll Withholdings	364,143	-	364,143
Tax Refund Payable	87,059	-	87,059
Accrued Interest	389,981	14,826	404,807
Other	87,520	-	87,520
Compensated Absences	229,650	22,974	252,624
Bond Anticipation Notes Payable	-	6,932,971	6,932,971
Bonds and Leases Payable	2,584,684	80,000	2,664,684
Total current liabilities	5,116,552	9,145,816	14,262,368
NONCURRENT:			
Compensated Absences	525,222	45,359	570,581
OPEB Obligation Payable	19,710,470	319,442	20,029,912
Net Pension Liability	20,451,337	697,156	21,148,493
Bonds and Leases Payable	34,900,906	2,990,000	37,890,906
Total noncurrent liabilities	75,587,935	4,051,957	79,639,892
Total Liabilities	80,704,487	13,197,773	93,902,260
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	171,233	5,837	177,070
NET POSITION			
Net Investment in Capital Assets	85,007,177	12,086,027	97,093,204
Restricted for:			
Capital Projects	149,296	240,706	390,002
Federal & State Grants	2,986,742	-	2,986,742
Community Preservation	1,003,966	-	1,003,966
Permanent Funds:			
Nonexpendable	719,844	-	719,844
Expendable	499,065	-	499,065
Other Purposes	4,333,052	1,625,116	5,958,168
Unrestricted	(27,765,123)	2,043,007	(25,722,116)
Total Net Position	\$ 66,934,019	\$ 15,994,856	\$ 82,928,875

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 3,475,123	\$ 426,589	\$ 782,543	\$ -
Public Safety	3,763,561	701,827	101,257	-
Public Works	3,556,579	432,711	141,771	499,710
Education	37,369,521	1,134,771	12,752,148	-
Health and Human Services	593,702	164,710	156,466	-
Culture and Recreation	1,548,109	369,882	68,157	-
Employee Benefits and Insurance	15,481,961	5,960	4,848,633	-
State Assessments	875,880	-	-	-
Interest	1,457,405	-	1,057	-
Total Governmental Activities	68,121,841	3,236,450	18,852,032	499,710

Business-Type Activities:				
Sewer	1,591,333	2,507,842	-	-
Total Primary Government	\$ 69,713,174	\$ 5,744,292	\$ 18,852,032	\$ 499,710

General Revenues:	
Property Taxes	
Motor vehicle excise and other taxes	
Penalties & Interest on Taxes	
Grants & Contributions not restricted to specific programs	
Unrestricted Investment Income	
Miscellaneous	
Contributions to Permanent Funds	
Transfers, net	
Total General Revenues, Contributions and Transfers	

Change in Net Position

Net Position:

Beginning of year

End of year

The Notes to the Financial Statements are an integral part of this Statement.

Net (Expenses) Revenues and Changes in Net Position

	Governmental Activities	Business-Type Activities	Total
\$	(2,265,991)	\$ -	\$ (2,265,991)
	(2,960,477)	-	(2,960,477)
	(2,482,387)	-	(2,482,387)
	(23,482,602)	-	(23,482,602)
	(272,526)	-	(272,526)
	(1,110,070)	-	(1,110,070)
	(10,627,368)	-	(10,627,368)
	(875,880)	-	(875,880)
	(1,456,348)	-	(1,456,348)
	(45,533,649)	-	(45,533,649)

	-	916,509	916,509
(45,533,649)	916,509	(44,617,140)	

36,934,263	-	36,934,263
2,891,042	-	2,891,042
89,563	-	89,563
1,485,213	-	1,485,213
236,298	163,745	400,043
19,143	-	19,143
21,075	-	21,075
140,000	(140,000)	-
41,816,597	23,745	41,840,342

(3,717,052)	940,254	(2,776,798)
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70,651,071	15,054,602	85,705,673
\$ 66,934,019	\$ 15,994,856	\$ 82,928,875

**TOWN OF GRAFTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 7,249,092	\$ 4,200,044	\$ 11,449,136
Investments	4,081,311	4,227,498	8,308,809
Receivables, net of allowance for uncollectibles:			
Property Taxes	210,074	816	210,890
Tax Liens	940,477	8,436	948,913
Excise Taxes	142,392	-	142,392
Departmental	1,200	33,589	34,789
Due from Other Governments	82,205	2,390,460	2,472,665
Total Assets	\$ 12,706,751	\$ 10,860,843	\$ 23,567,594
Liabilities:			
Warrants and Accounts Payable	\$ 743,359	\$ 257,466	\$ 1,000,825
Accrued Payroll	195,699	12,225	207,924
Retainage Payable	-	164,766	164,766
Payroll Withholdings	364,143	-	364,143
Tax Refund Payable	85,400	1,659	87,059
Other	87,520	-	87,520
Total Liabilities	1,476,121	436,116	1,912,237
Deferred Inflows of Resources:			
Unavailable Revenue	1,219,074	2,162,648	3,381,722
Fund Balance:			
Nonspendable	-	719,844	719,844
Restricted	794,626	6,031,507	6,826,133
Committed	980,257	1,510,728	2,490,985
Assigned	1,524,237	-	1,524,237
Unassigned	6,712,436	-	6,712,436
Total Fund Balance	10,011,556	8,262,079	18,273,635
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,706,751	\$ 10,860,843	\$ 23,567,594

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 36,594,409	\$ 381,715	\$ 36,976,124
Intergovernmental	12,483,276	2,363,797	14,847,073
Excise and Other Taxes	2,877,307	1,375	2,878,682
Charges for Services	-	1,988,456	1,988,456
Licenses, Permits, Fees	1,348,906	-	1,348,906
Interest on Taxes	88,922	641	89,563
Investment Income	236,298	240,985	477,283
Gifts and Donations	-	192,773	192,773
Other	-	324,337	324,337
Intergovernmental - "On-behalf" Payments	4,842,676	-	4,842,676
Total Revenues	58,471,794	5,494,079	63,965,873
Expenditures:			
Current:			
General Government	2,931,296	3,480,687	6,411,983
Public Safety	3,084,326	415,762	3,500,088
Public Works	3,007,391	1,649,101	4,656,492
Education	32,084,495	3,067,993	35,152,488
Health and Human Services	445,659	129,313	574,972
Culture and Recreation	892,429	370,713	1,263,142
Employee Benefits and Insurance	10,786,372	59,095	10,845,467
State Assessments	875,880	-	875,880
Debt Service:			
Principal	2,295,000	104,165	2,399,165
Interest	1,411,787	65,499	1,477,286
Total Expenditures	57,814,635	9,342,328	67,156,963
Excess of Revenues Over (Under) Expenditures	657,159	(3,848,249)	(3,191,090)
Other Financing Sources (Uses):			
Operating Transfers In	174,663	1,551,364	1,726,027
Operating Transfers Out	(1,551,364)	(34,663)	(1,586,027)
Total Other Financing Sources (Uses)	(1,376,701)	1,516,701	140,000
Net Change in Fund Balances	(719,542)	(2,331,548)	(3,051,090)
Fund Balances, Beginning of Year	10,731,098	10,593,627	21,324,725
Fund Balances, End of Year	\$ 10,011,556	\$ 8,262,079	\$ 18,273,635

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2016

Total Governmental Fund Balances		\$ 18,273,635
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		122,476,107
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,381,722
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions		1,594,805
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and Leases Payable	\$ (37,485,590)	
Other Post Employment Benefits Payable	(19,710,470)	
Net Pension Liability	(20,451,337)	
Compensated Absences	<u>(754,872)</u>	(78,402,269)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in the governmental funds interest is not reported until due.		<u>(389,981)</u>
Net Position of Governmental Activities		<u><u>\$ 66,934,019</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds **\$ (3,051,090)**

The Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:

Capital Outlay Purchases	\$ 5,813,849	
Depreciation	<u>(5,125,605)</u>	688,244

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. 298,916

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of Debt and Lease Principal		2,550,824
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net Change in Compensated Absences	412,667	
Net Change in Other Post Employment Benefits	(3,120,816)	
Net Change in Net Pension Liability	(3,100,047)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	1,584,369	
Net Change in Accrued Interest on Long-Term Debt	<u>19,881</u>	<u>(4,203,946)</u>

Change in Net Position of Governmental Activities **\$ (3,717,052)**

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts					
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget	Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
Revenues:						
Property Taxes	\$ -	\$ 36,342,400	\$ 36,474,317	\$ 36,702,809	\$ -	\$ 228,492
Intergovernmental	-	12,311,799	12,311,799	12,483,276	-	171,477
Excise and Other Taxes	-	2,660,202	2,660,202	2,877,307	-	217,105
Licenses, Permits, Fees	-	1,229,274	1,229,274	1,348,906	-	119,632
Interest on Taxes	-	103,000	103,000	88,922	-	(14,078)
Investment Income	-	30,000	30,000	37,498	-	7,498
Total Revenues	-	52,676,675	52,808,592	53,538,718	-	730,126
Expenditures:						
Current:						
General Government	471,326	2,716,283	3,399,583	2,931,296	307,404	160,883
Public Safety	127,619	3,081,097	3,308,716	3,084,326	88,210	136,180
Public Works	637,675	2,929,020	3,514,157	3,007,391	487,901	18,865
Education	122,901	32,047,675	32,279,493	32,084,495	191,452	3,546
Health and Human Services	6,795	471,704	479,499	445,659	6,980	26,860
Culture and Recreation	21,536	917,938	1,236,594	892,429	308,635	35,530
Employee Benefits and Insurance	2,000	5,951,771	5,953,771	5,943,696	-	10,075
State Assessments	-	846,813	846,813	875,880	-	(29,067)
Debt Service:						
Principal	-	2,295,000	2,295,000	2,295,000	-	-
Interest	-	1,411,787	1,411,787	1,411,787	-	-
Total Expenditures	1,389,852	52,669,088	54,725,413	52,971,959	1,390,582	362,872
Excess of Revenues Over (Under) Expenditures	(1,389,852)	7,587	(1,916,821)	566,759	(1,390,582)	1,092,998
Other Financing Sources (Uses):						
Operating Transfers In	-	204,113	204,113	174,663	-	(29,450)
Operating Transfers (Out)	-	(1,545,000)	(1,595,000)	(1,595,000)	-	-
Total Other Financing Sources (Uses)	-	(1,340,887)	(1,390,887)	(1,420,337)	-	(29,450)
Net Change in Budgetary Fund Balance	(1,389,852)	(1,333,300)	(3,307,708)	(853,578)		\$ 1,063,548
Other Budgetary Items:						
Free Cash and Other Reserves	-	1,348,670	1,933,226			
Prior Year Deficits	-	(15,370)	(15,370)			
Prior Year Encumbrances	1,389,852	-	1,389,852			
Total Other Budgetary Items	1,389,852	1,333,300	3,307,708			
NET BUDGET	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2016

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 53,538,718	\$ 52,971,959
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	198,800	-
Net Decrease in Revenue from recording Refund Taxes Payable	(85,400)	-
Recognition of Intergovernmental Revenue - "on behalf payments"	4,842,676	-
Recognition of Expenditures - "on behalf payments"	-	4,842,676
Net Decrease in Revenue from Recording 60-Day Receipts	(23,000)	-
Reported on a GAAP Basis	<u>\$ 58,471,794</u>	<u>\$ 57,814,635</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Enterprise Fund
	Sewer Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 922,393
Investments	3,042,543
User Charges, net of allowance for uncollectibles	271,299
Special Assessments	96,421
Due from Other Governments	2,058,192
Total current assets	<u>6,390,848</u>
NONCURRENT:	
Special Assessments	658,418
Capital Assets, net of accumulated depreciation	
Nondepreciable	10,483,685
Depreciable	11,605,313
Total noncurrent assets	<u>22,747,416</u>
Total Assets	<u>29,138,264</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	<u>60,202</u>
LIABILITIES	
CURRENT:	
Accounts Payable	2,089,128
Accrued Payroll	5,917
Accrued Interest	14,826
Compensated Absences	22,974
Notes Payable	6,932,971
Bonds Payable	80,000
Total current liabilities	<u>9,145,816</u>
NONCURRENT:	
Compensated Absences	45,359
OPEB Obligation Payable	319,442
Net Pension Liability	697,156
Bonds Payable	2,990,000
Total noncurrent liabilities	<u>4,051,957</u>
Total Liabilities	<u>13,197,773</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>5,837</u>
NET POSITION	
Net Investment in Capital Assets	12,086,027
Restricted for Betterments	1,625,116
Restricted for Capital	240,706
Unrestricted	2,043,007
Total Net Position	<u>\$ 15,994,856</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund
	Sewer Fund
Operating Revenues:	
Charges for Services	\$ 2,468,708
Other	1,238
Total Operating Revenues	2,469,946
Operating Expenses:	
Salaries & Wages	416,546
Operating Expenses	640,865
Depreciation	427,889
Total Operating Expenses	1,485,300
Operating Income (Loss)	984,646
Non-Operating Revenues (Expenses):	
Investment Income	163,745
Assessments	37,896
Interest Expense	(106,033)
Total Non-Operating Revenues (Expenses)	95,608
Income (Loss) Before Operating Transfers	1,080,254
Operating Transfers:	
Transfers In/(Out)	(140,000)
Total Operating Transfers	(140,000)
Change in Net Position	940,254
Net Position at Beginning of Year	15,054,602
Net Position at End of Year	\$ 15,994,856

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund
	Sewer Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 2,427,381
Receipts from Other Revenues	1,238
Payments to Vendors	(556,644)
Payments to Employees	(424,419)
Net Cash Provided by (Used for) Operating Activities	1,447,556
Cash Flows from Noncapital Financing Activities:	
Transfers from (to) Other Funds	(140,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(140,000)
Cash Flows from Capital and Related Financing Activities:	
Assessments	222,203
MCWT Project Drawdowns	4,874,779
Acquisition and Construction of Capital Assets	(6,651,287)
Principal Payments on Bonds	(70,000)
Interest Expense	(108,071)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,732,376)
Cash Flows from Investing Activities:	
Investment Income	163,745
Proceeds/(Purchase) of Investments	(1,235,072)
Net Cash Provided by (Used for) Investing Activities	(1,071,327)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,496,147)
Cash and Cash Equivalents at Beginning of Year	2,418,540
Cash and Cash Equivalents at End of Year	\$ 922,393

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used For) Operating Activities:**

Operating Income (Loss)	\$ 984,646
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	427,889
Deferred (Outflows)/Inflows of Resources Related to Pensions	(54,009)
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(14,551)
Increase (Decrease) in Accrued Payroll	(12,439)
Increase (Decrease) in Compensated Absences	4,566
Increase (Decrease) in OPEB Obligation Payable	47,105
Increase (Decrease) in Net Pension Liability	105,676
Decrease (Increase) in User Charges Receivable	(41,327)
Total Adjustments	462,910
Net Cash Provided by (Used for) Operating Activities	\$ 1,447,556

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 7,546	\$ 326,409
Investments	2,950	356,502	3,395
Total Assets	<u>2,950</u>	<u>364,048</u>	<u>329,804</u>
LIABILITIES			
Warrants Payable	-	-	10,618
Due to Others	-	-	7,130
Due to Student Groups	-	-	103,499
Escrows and Deposits	-	-	208,557
Total Liabilities	<u>-</u>	<u>-</u>	<u>329,804</u>
NET POSITION			
Held in Trust for Other Purposes	<u>\$ 2,950</u>	<u>\$ 364,048</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Private Donations	\$ -	\$ 8,692
Investment Income	162	19,637
Total Additions	<u>162</u>	<u>28,329</u>
Deductions		
Educational Scholarships	-	7,768
Total Deductions	<u>-</u>	<u>7,768</u>
Change in Net Position	<u>162</u>	<u>20,561</u>
Net Position at Beginning of Year	<u>2,788</u>	<u>343,487</u>
Net Position at End of Year	<u>\$ 2,950</u>	<u>\$ 364,048</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Grafton, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1735 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2016, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Grafton Housing Authority, the Grafton Water District, the South Grafton Water District and the Blackstone Valley Regional Vocational Technical High School. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Grafton Housing Authority – A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Grafton Water District and South Grafton Water District – Districts that provide water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the districts.

Blackstone Valley Regional Vocational Technical High School – A regional school district made up of thirteen communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects one district committee member for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile ending net position and the change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

and

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Proprietary and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The Town reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *sewer fund* is used to account for the sewer activities.

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Additionally, the Town reports the following fund types:

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *Other Postemployment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments to the Town. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U. S. Government or agencies that have a maturity of less than one year from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

All investments are carried at fair value.

F. Receivables

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Property Taxes, Deferred Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2015 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town accepted the provisions of the Massachusetts General Laws Chapter 59, Section 57C which enables the Town to have a quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for fiscal year 2016 on June 30, 2015 and September 30, 2015 that were due on August 3, 2015 and November 2, 2015 and the actual tax bills were mailed on December 31, 2015 and March 31, 2016 and were due on February 1, 2016 and May 2, 2016.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2016 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2016	\$ 33,054,015
Add: Debt Exclusion	3,209,587
Add: Road Stabilization override	1,500,000
	<u>\$ 37,763,602</u>

The total amount raised by taxation was \$36,724,456.

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

Excise Taxes

Excise taxes consist of motor vehicle excise and boat excise. Excise taxes are assessed annually for each vehicle and boat registered in the Town, and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The Board of Assessors of the Town is responsible for determining the value of each boat.

The tax calculation for motor vehicle excise taxes is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The allowance for uncollectibles is based on historical trends and specific account analysis.

User Charges

User charges and fees consist of sewer that is levied based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed each year and are included as a lien on the property owner's tax bill. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

The allowance for uncollectibles is based upon historical trends and specific account analysis.

Departmental

Departmental receivables consist of police off-duty details and assessor's fees.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Special Assessments

Special assessments consist of sewer betterments in the business-type activities.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

G. Capital Assets

Capital assets of the primary government include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g. roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	10-40
Machinery, equipment and other	3-15
Infrastructure	20-50

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

H. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the only item in this category is *deferred outflows related to pensions*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category is *deferred inflows related to pensions*.

Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise taxes; departmental revenue and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Net Position and Fund Balances

In the Governmental-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows to revenues represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" - represents amounts restricted by the federal and state government for various programs.

"Community preservation fund" represents amounts that are restricted for the preservation of open space, historical resources and community housing.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

K. Long-term Debt

Long-term debt of the primary government is reported as liabilities in the government-wide statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

M. Pension Benefits

For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions), are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% to 73% share of insurance premiums for retirees, spouses and surviving spouses in the general fund in the fiscal year paid.

O. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Requests for appropriation are submitted by departments to the Finance Committee.
- Finance committee meets with various departments to discuss the appropriation.
- Finance committee recommends the budget and presents the budget at the annual Town meeting.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2016, the Town incurred a final budget deficit of \$3,307,708 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 1,643,226
Overlay surplus	290,000
Reserve for deficits	(15,370)
Prior year's encumbrances	1,389,852
	<u>\$ 3,307,708</u>

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2016 were \$14,813,987. Of these, \$757,145 are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less.

As of June 30, 2016, the Town had the following investments:

Investment Type	Fair Value	(in Years)	
		Less Than 1	1 to 5
Debt Securities:			
U. S. treasury obligations	\$ 1,419,164	\$ -	\$ 1,419,164
U. S. government agencies	3,286,857	-	3,286,857
Corporate bonds	1,742,291	-	1,742,291
Money market mutual fund	104,581	104,581	-
	6,552,893	\$ 104,581	\$ 6,448,312
Other Investments:			
Certificates of deposits	1,691,155		
Equity mutual funds	560,370		
Equity securities - domestic	2,443,506		
MMDT	466,276		
	\$ 11,714,200		

Custodial Credit Risks

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$11,714,200 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Credit Risk

The Town's exposure to credit risk as of June 30, 2016 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 1,419,164
<i>U. S. Government Agencies:</i>	
Aaa	3,286,857
<i>Corporate Bonds:</i>	
A1	277,744
A2	342,782
Baa1	1,121,765
<i>Money Market Mutual Funds:</i>	
Not rated	104,581
	\$ 6,552,893

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. More than 5 percent of the Town's investments are Federal Home Loan Mortgage Corp. amounting to 26.35% of the Town's total investments.

B. Receivables

At June 30, 2016, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts of the primary government, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and non-major governmental funds:			
Property taxes including community preservation surcharge	\$ 229,300	\$ (18,410)	\$ 210,890
Tax liens	948,913	-	948,913
Excise taxes	170,465	(28,073)	142,392
Departmental	34,789	-	34,789
Due from other governments	2,472,665	-	2,472,665
	\$ 3,856,132	\$ (46,483)	\$ 3,809,649

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

At June 30, 2016, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer activities:			
User charges	\$ 282,002	\$ (10,703)	\$ 271,299
Special assessments	754,839	-	754,839
Due from other governments	2,058,192	-	2,058,192
	<u>\$ 3,095,033</u>	<u>\$ (10,703)</u>	<u>\$ 3,084,330</u>

The composition of amounts due from other governments as of June 30, 2016 for governmental funds and the business-type activities are as follows:

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Revenue:

Veterans, blind and surviving spouse \$ 19,398

Department of Veterans Services:

Veterans benefits 62,807 \$ 82,205

Nonmajor Governmental Funds:

U. S. Department of Agriculture:

School lunch 12,386

U. S. Department of Education:

School title grants 45,582

U. S. Department of Homeland Security

Emergency management agency grants 4,460

Commonwealth of Massachusetts:

Department of Elementary and Secondary Education:

School lunch 1,229

Executive Office of Public Safety & Homeland Security:

Public safety grants 9,732

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds 2,317,071 2,390,460

\$ 2,472,665

Business-Type Funds:

Sewer Fund:

Commonwealth of Massachusetts:

Massachusetts Clean Water Trust:

Sewer project \$ 2,058,192

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Governmental Funds:

General fund:

Property taxes	\$	86,074		
Tax liens		940,477		
Excise taxes		142,392		
Departmental		1,200		
Due from other governments		48,931	\$	1,219,074

Nonmajor governmental funds:

Property taxes	(843)			
Tax liens	8,436			
Due from other governments	2,155,055		2,162,648	
		<u>\$</u>		<u>3,381,722</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2016, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 15,786,267	\$ 86,161	\$ -	\$ 15,872,428
Construction in Progress	7,006,641	3,106,121	-	10,112,762
Total capital assets not being depreciated	22,792,908	3,192,282	-	25,985,190
Capital assets being depreciated:				
Buildings and Renovations	118,901,500	738,765	-	119,640,265
Machinery, equipment and other	7,227,989	361,997	(24,724)	7,565,262
Infrastructure	9,026,542	1,520,805	-	10,547,347
Total capital assets being depreciated	135,156,031	2,621,567	(24,724)	137,752,874
Less accumulated depreciation for:				
Buildings and Renovations	27,874,903	4,161,352	-	32,036,255
Machinery, equipment and other	5,426,684	476,806	(24,724)	5,878,766
Infrastructure	2,859,489	487,447	-	3,346,936
Total accumulated depreciation	36,161,076	5,125,605	(24,724)	41,261,957
Total capital assets being depreciated, net	98,994,955	(2,504,038)	-	96,490,917
Total governmental activities capital assets, net	\$ 121,787,863	\$ 688,244	\$ -	\$ 122,476,107

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in Progress	\$ 2,656,300	\$ 7,827,385	\$ -	\$ 10,483,685
Total capital assets not being depreciated	2,656,300	7,827,385	-	10,483,685
Capital assets being depreciated:				
Machinery, equipment and other	234,873	-	-	234,873
Infrastructure	32,021,084	-	-	32,021,084
Total capital assets being depreciated	32,255,957	-	-	32,255,957
Less accumulated depreciation for:				
Machinery, equipment and other	192,700	18,429	-	211,129
Infrastructure	20,030,055	409,460	-	20,439,515
Total accumulated depreciation	20,222,755	427,889	-	20,650,644
Total capital assets being depreciated, net	12,033,202	(427,889)	-	11,605,313
Total governmental activities capital assets, net	\$ 14,689,502	\$ 7,399,496	\$ -	\$ 22,088,998

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 255,065
Public safety	565,171
Public works	725,472
Education	3,277,505
Health and human services	13,533
Culture and recreation	288,859
Total depreciation expense - governmental activities	<u>\$ 5,125,605</u>

Business-Type Activities:

Sewer fund	<u>\$ 427,889</u>
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E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2016, are summarized below:

Transfers In:	Transfers Out:			
	General fund	Nonmajor Governmental fund	Business-type fund	Total
General fund	\$ -	\$ 34,663	\$ 140,000	\$ 174,663
Nonmajor governmental funds	1,551,364	-	-	1,551,364
Total transfers out	<u>\$ 1,551,364</u>	<u>\$ 34,663</u>	<u>\$ 140,000</u>	<u>\$ 1,726,027</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

F. Leases

The Town has entered into a lease agreement as lessee for financing a rescue truck for the fire department. The lease agreements qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

Asset:	Governmental Activities
Machinery, Equipment and Other	\$ 727,340
Less: Accumulated Depreciation	(193,285)
Total	<u>\$ 534,055</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2016, are as follows:

Year Ending June 30,	Governmental Activities
2017	\$ 126,373
2018	126,373
Total minimum lease payments	252,746
Less: amount representing interest	(8,816)
Present value of minimum lease payments	<u>\$ 243,930</u>

G. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the business type fund are as follows:

Business-type Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2015	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2016
Bond anticipation notes:						
Sewer Fund						
Massachusetts Clean						
Water Trust - Interim Loan						
CWP - 15 - 14	0.13%	12/31/2017	\$ -	\$ 6,932,971	\$ -	\$ 6,932,971

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

H. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2016
Governmental Activities:					
Inside Debt Limit:					
New Fire Station	4.25%	10/15/2008	6/15/2019	5,500,000	\$ 1,650,000
Land Acquisition - CPA	3.73%	5/15/2009	2/15/2029	1,155,000	735,000
School - Modular Classrooms	2.86%	5/15/2009	2/15/2019	750,000	225,000
New High School	3.47%	5/1/2010	2/1/2030	9,100,000	6,865,000
New High School	4.24%	4/1/2011	4/1/2031	10,000,000	8,220,000
New High School	3.03%	4/12/2012	4/1/2032	16,650,000	14,225,000
Energy Conservation	2.0-3.0%	11/13/2013	2/15/2028	4,767,000	4,245,000
Town House Restoration	2.58%	4/15/2015	11/15/2034	1,100,000	1,060,000
Total inside debt					<u>37,225,000</u>
Outside Debt Limit:					
Massachusetts Clean Water Trust:					
Title V septic repair program	N/A	9/29/2000	8/1/2019	79,932	16,660
Total governmental type debt					<u><u>\$ 37,241,660</u></u>

Future Debt Service

The annual principal and interest payments to retire all governmental type long term debt outstanding as of June 30, 2016, are as follows:

Year	Principal	Interest	Total
2017	\$ 2,464,165	\$ 1,389,940	\$ 3,854,105
2018	2,524,165	1,301,451	3,825,616
2019	2,584,165	1,210,212	3,794,377
2020	2,029,165	1,103,527	3,132,692
2021	2,095,000	1,025,887	3,120,887
2022-2026	11,740,000	3,874,150	15,614,150
2027-2031	12,395,000	1,620,169	14,015,169
2032-2035	1,410,000	62,125	1,472,125
	<u>\$ 37,241,660</u>	<u>\$ 11,587,461</u>	<u>\$ 48,829,121</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2016
Business-type Activities:					
Inside Debt Limit:					
Sewer Fund:					
Sewer	4.24%	4/1/2011	4/1/2031	\$ 510,000	\$ 420,000
Sewer Treatment Facility	3.03%	4/15/2015	11/15/2044	2,700,000	2,650,000
Total business-type debt					<u>\$ 3,070,000</u>

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2016, are as follows:

Year	Principal	Interest	Total
2017	\$ 80,000	\$ 99,319	\$ 179,319
2018	80,000	97,319	177,319
2019	80,000	95,319	175,319
2020	90,000	93,068	183,068
2021	90,000	90,519	180,519
2022-2026	490,000	403,919	893,919
2027-2031	590,000	308,419	898,419
2032-2036	480,000	217,156	697,156
2037-2041	565,000	135,637	700,637
2042-2046	525,000	36,028	561,028
	<u>\$ 3,070,000</u>	<u>\$ 1,576,703</u>	<u>\$ 4,646,703</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

A summary of the changes in governmental activities and business-type long-term liabilities during the year is as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due within One Year
Governmental activities:					
Bond Payable:					
General obligation bonds	\$ 39,620,000	\$ -	\$ 2,395,000	\$ 37,225,000	\$ 2,460,000
Massachusetts Clean Water Trust bonds	20,825	-	4,165	16,660	4,165
Capital leases	395,589	-	151,659	243,930	120,519
Compensated absences	1,167,539	52,729	465,396	754,872	229,650
OPEB liability obligation	16,589,654	3,120,816	-	19,710,470	-
Net pension liability	17,351,290	3,100,047	-	20,451,337	-
Governmental activity Long-term liabilities	<u>\$ 75,144,897</u>	<u>\$ 6,273,592</u>	<u>\$ 3,016,220</u>	<u>\$ 78,402,269</u>	<u>\$ 2,814,334</u>
Business-type activities:					
Bond Payable:					
General obligation bonds	\$ 3,140,000	\$ -	\$ 70,000	\$ 3,070,000	\$ 80,000
Compensated absences	63,767	4,566	-	68,333	22,974
OPEB obligation payable	272,337	47,105	-	319,442	-
Net pension liability	591,480	105,676	-	697,156	-
Total sewer activities Long-term liabilities	<u>\$ 4,067,584</u>	<u>\$ 157,347</u>	<u>\$ 70,000</u>	<u>\$ 4,154,931</u>	<u>\$ 102,974</u>

Massachusetts Clean Water Trust (MCWT)

The Town is subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$79,932 and interest costs of \$38,712 which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2016 for principal and interest combined for the loans is \$18,539 with subsidies amounting to \$1,879. The net repayments, including interest, are scheduled to be \$16,660. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2016 principal and interest subsidies totaled \$1,057.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2016 totaled \$40,295,000.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The following is a computation of the legal debt limit as of June 30, 2016:

Equalized Valuation-Real Estate and Personal Property (2014)		<u>\$ 2,278,097,900</u>
Debt Limit: 5 % of Equalized value		113,904,895
Total Debt Outstanding	\$ 40,311,660	
Less: Debt Outside Debt Limit	<u>(16,660)</u>	<u>40,295,000</u>
Inside Debt Excess Borrowing Capacity at June 30, 2016		<u>\$ 73,609,895</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

Loan authorizations that have not been issued as of June 30, 2016 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
10/20/2014	Wastewater Treatment Facility upgrades	<u>\$ 39,367,029</u>

Overlapping Debt

The Town pays assessments; which includes debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the long term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Long Term Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Blackstone Valley Regional Vocational Technical High School	<u>\$ 3,500,000</u>	10.80%	<u>\$ 378,000</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

I. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2016:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 719,844	\$ 719,844
Restricted:			
Federal, state and local grants	-	156,474	156,474
School federal and state grants	-	675,212	675,212
School revolving funds	-	571,541	571,541
Town revolving funds	-	1,210,026	1,210,026
Donations and gifts	-	240,303	240,303
Community preservation fund	-	996,373	996,373
Debt service	794,626	-	794,626
Capital projects	-	149,296	149,296
Permanent funds	-	499,066	499,066
Other	-	1,533,216	1,533,216
	<u>794,626</u>	<u>6,031,507</u>	<u>6,826,133</u>
Committed:			
Capital projects	-	1,510,728	1,510,728
Town meeting articles	980,257	-	980,257
	<u>980,257</u>	<u>1,510,728</u>	<u>2,490,985</u>
Assigned:			
Encumbrances	410,326	-	410,326
Subsequent year's budget	1,113,911	-	1,113,911
	<u>1,524,237</u>	<u>-</u>	<u>1,524,237</u>
Unassigned:			
General Fund	<u>6,712,436</u>	<u>-</u>	<u>6,712,436</u>
Total Governmental fund balances	<u>\$ 10,011,556</u>	<u>\$ 8,262,079</u>	<u>\$ 18,273,635</u>

J. Special Trust Funds

Stabilization Fund

Under Section 5B of Chapter 40 of the Massachusetts General Laws, the Town may for the purpose of creating a stabilization fund appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding year by taxation of real estate and tangible personal property or such larger amount as may be approved by the Emergency Finance Board. The aggregate amount in the fund at any time shall not exceed ten percent of the equalized valuation of the Town and any interest shall be added to and become a part of the fund. The stabilization fund may be appropriated in a Town at a Town meeting for any lawful purpose.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

At June 30, 2016 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 3,493,903
Capital stabilization fund	119,453
Road stabilization fund	41
	<u>\$ 3,613,397</u>

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

Litigation

There are pending lawsuits against the Town at June 30, 2016. Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2016. The outcome of lawsuits is not expected to materially affect the financial condition of the Town.

Federal Financial Assistance

The Town receives significant financial assistance from numerous federal and state agencies in the form of grants and entitlements. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit procedures prescribed under the Single Audit Act Amendments of 1996. Any disallowed expenditures resulting from such audits become a liability of the Town.

The outcome of lawsuits and any findings with respect to disallowed expenditures is not expected to materially affect the financial condition of the Town.

C. Pension Plan

Plan Description

The Town is a member of the Worcester Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Worcester Regional Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2015. The Town's portion of the collective pension expense contributed by the Commonwealth of \$4,842,676 on-behalf payments for the fiscal year ending June 30, 2016 is reported as intergovernmental revenues and insurance and employee benefits expenditures in the General Fund as of the measurement date.

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2015 was \$1,340,346, representing 14.93% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Pension Liability

As of June 30, 2016, the Town reported a liability of \$21,148,493 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2015, the Town's proportional percentage was 2.9795%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2016, the Town recognized a pension expense of \$2,907,689 and reported deferred outflows of resources related to pensions of \$1,826,240 and deferred inflows of resources related to pensions of \$177,070, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are no reported differences between the expected and actual experience or a change of assumptions as of December 31, 2015.

The Town's net deferred outflows of resources related to pensions will be recognized in the pension expense as follows;

For years ended June 30,		
2017	\$	378,728
2018		378,728
2019		378,728
2020		376,320
Thereafter:		136,666
	\$	1,649,170

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2015;

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal
Amortization method	<i>Unfunded Actuarial Accrued Liability (UAAL):</i> Increasing dollar amount at 4.0% to reduce the UAAL to zero on or before June 30, 2035. <i>2002 & 2003 Early Retirement Incentive (ERI):</i> Increasing dollar amount at 4.5% to reduce the 2002 & 2003 ERI to zero on or before June 30, 2028. <i>2010 Early Retirement Incentive (ERI):</i> Increasing dollar amount to reduce the 2010 ERI to zero on or before June 30, 2022.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Remaining amortization period	21 years, except for ERI for 2002 and 2003 (14 years) and 2010 (8 years)
Asset valuation method	The actuarial value of assets is the market value of assets as of the valuation date reduced by the sum of: 80% of the gains and losses of the prior year, 60% of the gains and losses of the second prior year, 40% of the gains and losses of the third prior year, and 20% of the fourth prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 80% or more than 120% of market value.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Projected salary increase	3.0% per year, including longevity
Inflation	Not explicitly assumed
Mortality rates	RP-2000 Mortality Table Projected to 2014 with Scale AA RP-2000 Mortality Table set forward two years for disabled members

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	40%	8.02%
Fixed income	23%	5.09%
Private Equity	10%	9.50%
Real Estate	10%	6.50%
Timber/Natural Resources	4%	7.07%
Hedge Funds	9%	6.50%
Other	4%	6.18%
Total	100%	

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 0.05%. The money-weighted rate of return considers the changing amounts actually invested during a period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's net pension liability	\$ 25,463,086	\$ 21,148,493	\$ 17,484,903

D. Other Post Employment Benefits Payable

GASB Statement No. 45

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2009, and thus recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits as described on the following footnote, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date, there are approximately 836 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2016 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$1,250,577.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

	Governmental Activities	Business-type Activities	Total
Normal Cost	\$ 2,271,877	\$ 24,995	\$ 2,296,872
Amortization of unfunded actuarial accrued liability	2,214,013	26,104	2,240,117
Annual required contribution	4,485,890	51,099	4,536,989
Interest on net OPEB obligation	663,586	10,893	674,479
Adjustment to annual required contribution	(780,163)	(12,807)	(792,970)
Annual OPEB cost (expense)	4,369,313	49,185	4,418,498
Contributions made during the fiscal year	(1,248,497)	(2,080)	(1,250,577)
Increase in net OPEB obligation	3,120,816	47,105	3,167,921
Net OPEB Obligation - beginning of year	16,589,654	272,337	16,861,991
Net OPEB Obligation - end of year	<u>\$ 19,710,470</u>	<u>\$ 319,442</u>	<u>\$ 20,029,912</u>

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2016 fiscal year and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$ 4,418,498	28.3%	\$ 20,029,912
6/30/2015	\$ 4,158,239	27.4%	\$ 16,861,991
6/30/2014	\$ 3,081,984	35.1%	\$ 13,841,341

Funded Status and Funding Process

As of January 1, 2015, the most recent valuation date, the plan was 0.01% funded. The actuarial liability for benefits was \$44,712,250, and the actuarial value of assets was \$2,755, resulting in an unfunded actuarial accrued liability (UAAL) of \$44,709,495. The covered payroll (annual payroll of active employees covered by the plan) was \$27,931,000, and the ratio of the UAAL to the covered payroll was 160.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2016

each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Town OPEB actuarial valuation as of January 1, 2015, used the projected unit credit cost method. The OPEB liability is currently unfunded and the actuarial assumptions include a 4.00% rate of return on invested assets. Medical and drug cost trend for Commercial Managed Care, Commercial Indemnity, Medicare Managed Care, and Medicare Indemnity in 2016 was 6.04%, 4.10%, .08% and 4.49%, respectively, and 8%, 9%, 7% and 8% in 2016, respectively, decreasing .5% for five years to an ultimate level of 5% per year for Commercial Managed Care, Commercial Indemnity, Medicare Managed Care, and Medicare Indemnity.

The unfunded actuarial accrued liability is being amortized over closed 24 years (remainder of the initial 30 years) on a projected unit cost basis. The remaining amortization period at June 30, 2016 is 23 years.

Trust Fund

The Town did establish a trust fund in fiscal year 2011 in order to contribute funds to reduce the future OPEB liability. As of June 30, 2016 the trust balance is \$2,950.

E. Implementation Of New GASB Pronouncements

The GASB issued Statement No. 72, *Fair Value Measurement and Application*, for implementation in 2016.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, for implementation in 2016.

F. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*, for implementation in fiscal year 2017.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2016

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Town's proportion of the net pension liability (asset)	2.9795%	3.0152%
Town's proportionate share of the net pension liability (asset)	\$ 21,148,493	\$ 17,942,770
Town's covered employee payroll	\$ 8,975,245	\$ 8,630,043
Net pension liability percentage of covered-employee payroll	235.63%	207.91%
Plan fiduciary net position as a percentage of the total pension liability	44.52%	47.94%

Note: these schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Retirement System
For the Year Ended June 30, 2016

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Actuarially determined contribution	\$ 1,340,346	\$ 1,191,597
Less: Contributions in relation to the actuarially determined contribution	<u>(1,340,346)</u>	<u>(1,191,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 8,975,245	\$ 8,630,043
Contributions percentage of covered-employee payroll	14.93%	13.81%

Note: these schedules are intendend to present information for 10 years.
Until a 10-year trend is compiled, the information is presented for those
years the information is available.

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan Schedule
Year Ended June 30, 2016

Schedule of Funding Progress

Other Post-Employment Benefits (Dollars in Thousands)									
Actuarial Valuation Date	Actuarial Value of Assets (A)		Actuarial Accrued Liability (AAL) Entry Aid (B)		Unfunded AAL (UAAL) (B-A)		Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2015	\$	3	\$	44,712	\$	44,709	0%	\$ 27,931	160.1%
1/1/2013	\$	-	\$	30,633	\$	30,633	0%	\$ 24,618	124.4%
1/1/2011	\$	-	\$	30,345	\$	30,345	0%	\$ 23,701	128.0%

Schedule of Contribution Funding

Other Post-Employment Benefits					
Fiscal Year Ended June 30		Annual OPEB Cost		Actual Contributions Made	Percentage Contributed
2016	\$	4,418,498	\$	1,250,577	28.3%
2015	\$	4,158,239	\$	1,137,589	27.4%
2014	\$	3,081,984	\$	1,082,235	35.1%

The information presented in the above Required Supplementary Schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the Notes to Basic Financial Statements.

Actuarial Methods:

Valuation date	January 1, 2015
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Closed 24-year amortization payments (remainder of initial 30-year amortization). Uses level percentage of payroll (using a 3.25% annual rate of increase).
Remaining amortization period	24 years remaining as of June 30, 2015

Actuarial Assumptions:

Investment rate of return	4.0% per year on invested assets
Medical/drug cost trend rate	Ranging from .08% to 6.04% in 2016 trending down to an ultimate rate of 5.0% per year for all coverages.

Plan Membership:

Current active members	549
Current retirees, beneficiaries and dependents	287
Total	836

SUPPLEMENTARY SCHEDULES

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances		Revenues		Expenditures		Other Financing Sources (Uses)		Fund Balances
	July 1, 2015								June 30, 2016
Special Revenue:									
Federal and State Grants:									
School Grants	\$	63,505	\$	983,704	\$	1,027,565	\$	-	\$ 19,644
Arts Lottery Council Grants	6,115		5,013		2,308			-	8,820
Council on Aging Grants	-		25,938		9,478		(16,460)		-
Extended Polling Hours	-		1,823		1,823		-		-
Health Grants	44,606		45,494		30,921		-		59,179
Highway Grants	-		162,016		162,016		-		-
Library Grants	42,402		29,396		19,127		-		52,671
Other Grants and Programs	-		19,550		500		-		19,050
Planning Grants	5,746		6,708		6,708		-		5,746
Public Safety Grants	(1,414)		84,137		71,715		-		11,008
Schools:									
School Lunch Revolving	127,160		766,557		815,270		-		78,447
School Lunch Commodities	-		52,989		52,989		-		-
Privately Funded Grants	2,057		575		2,488		-		144
School Choice	242,521		286,180		218,458		-		310,243
School Revolving Accounts	501,757		579,851		588,515		-		493,093
State Special Education Reimbursement Fund	351,874		341,531		348,224		-		345,181
Other:									
Animal Damage Reserve Fees	20,928		2,644		-		-		23,572
Commission on Disability Parking Fines	600		-		-		-		600
Community Preservation Fund	2,047,584		578,898		1,630,109		-		996,373
Conservation Fees	200,603		19,062		25,056		-		194,609
Council on Aging Revolving for Transportation	42,822		24,138		36,227		12,295		43,028
Fire Detail	4,313		7,039		5,416		(2,350)		3,586
Gifts and Donations	634,222		192,673		590,757		4,165		240,303
Health Department Revolving	11,000		19,799		24,619		-		6,180
Home Composting Bins Revolving	4,150		100		-		-		4,250
Insurance Recovery	-		19,084		18,477		-		607
Law Enforcement Fund	6,284		249		150		-		6,383
Other Programs	-		2,500		2,500		-		-
PEG Access/Verizon	508,105		283,204		215,146		-		576,163
Total Special Revenue Page 61	\$ 4,866,940	\$	4,540,852	\$	5,906,562	\$	(2,350)	\$	3,498,880

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Continued from Page 61	\$ 4,866,940	\$ 4,540,852	\$ 5,906,562	\$ (2,350)	\$ 3,498,880
Other (Continued):					
Library Grafton Education Association Grant	1,684	400	1,777	-	307
Municipal Waterways Revolving Funds	12,068	1,375	-	-	13,443
Municipal Center Use Revolving	-	376	-	-	376
Old Town Hall Revolving	28,687	33,981	38,899	-	23,769
Planning Board Revolving	81,394	60,435	61,243	-	80,586
Police Outside Detail	-	293,278	293,278	-	-
Recreation Revolving	130,429	321,953	257,563	(32,313)	162,506
Sale of Cemetery Lots	53,996	7,025	336	-	60,685
Septic Repair Betterment Repayments	39,867	1,057	5,222	-	35,702
South Grafton Community House Facility Revolving	7,571	7,943	-	-	15,514
Treasurer Tax Title Fees	-	53,513	52,353	-	1,160
Affordable Housing Fund	1,356,115	79,270	9,625	-	1,425,760
Conservation Fund	22,575	1,314	-	-	23,889
Unemployment Compensation Fund	51,179	3,484	59,095	45,000	40,568
Total Special Revenue Funds	6,652,505	5,406,256	6,685,953	10,337	5,383,145

Capital Projects:					
School Projects:					
Elementary School Construction	13,515	-	-	-	13,515
High and Middle School Renovations	2,837	-	-	-	2,837
Middle School Renovations	34	-	-	-	34
Facilities Upgrades	4,622	-	-	-	4,622
Fire Station	143,430	-	15,142	-	128,288
One Grafton Common Restoration	504,160	-	504,160	-	-
Road Stabilization	1,487,103	-	1,449,749	1,456,364	1,493,718
Stow Road Construction	-	-	32,990	50,000	17,010
Town House Restoration	654,334	-	654,334	-	-
Total Capital Projects	2,810,035	\$ -	2,656,375	\$ 1,506,364	\$ 1,660,024

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Perpetual Permanent Funds:					
Ann Cochiola Fund	\$ 5,040	\$ -	\$ -	\$ -	5,040
Campbell Fund	1,815	-	-	-	1,815
Cemetery Perpetual Care Fund	607,929	21,075	-	-	629,004
Library Fund	71,985	-	-	-	71,985
Palmer Gift - Pine Grove Fund	1,000	-	-	-	1,000
Whitin Gate and Bell Fund	11,000	-	-	-	11,000
Total Perpetual Permanent Funds	698,769	21,075	-	-	719,844
Permanent Funds:					
Ann Cochiola Fund	4,983	583	-	-	5,566
Campbell Fund	2,106	229	-	-	2,335
Cemetery Perpetual Care Fund	171,371	46,269	-	-	217,640
Library Fund	223,291	17,189	-	-	240,480
Palmer Gift - Pine Grove Fund	7,320	484	-	-	7,804
Whitin Gate and Bell Fund	23,247	1,994	-	-	25,241
Total Permanent Funds	432,318	66,748	-	-	499,066
Total Non-Major Governmental Funds	\$ 10,593,627	\$ 5,494,079	\$ 9,342,328	\$ 1,516,701	\$ 8,262,079

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY AND ROLLBACK TAXES
AND COMMUNITY PRESERVATION SURCHARGE
JULY 1, 2015 TO JUNE 30, 2016

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Real Estate Taxes:						
Levy of 2016	\$ -	\$ 35,839,715	\$ 295,661	\$ 35,353,057	\$ 190,997	\$ 190,997
Levy of 2015	256,036	74,369	105,947	224,458	-	-
Levy of 2014	(1,579)	-	(3,313)	1,734	-	-
Prior Years	1,240	-	1,240	-	-	-
	255,697	35,914,084	399,535	35,579,249	190,997	190,997
Personal Property Taxes:						
Levy of 2016	-	884,760	4,164	873,415	7,181	7,158
Levy of 2015	6,158	-	1,656	1,421	3,081	3,081
Levy of 2014	6,934	-	1,403	897	4,634	4,634
Levy of 2013	7,587	-	1,838	(169)	5,918	5,918
Levy of 2012	6,512	-	2,095	(846)	5,263	5,263
Prior Years	29,740	-	23,975	(5,645)	11,410	11,410
	56,931	884,760	35,131	869,073	37,487	37,464
Rollback Taxes	-	12,234	-	12,234	-	-
Total Real Estate, Personal Property and Rollback Taxes	\$ 312,628	\$ 36,811,078	\$ 434,666	\$ 36,460,556	\$ 228,484	\$ 228,461
Community Preservation Surcharge:						
Levy of 2016	\$ -	\$ 376,270	\$ 3,200	\$ 372,254	\$ 816	\$ 816
Levy of 2015	5,223	1,111	999	5,335	-	-
Levy of 2014	394	-	-	394	-	-
Prior Years	10	-	10	-	-	-
Total Community Preservation Surcharge	\$ 5,627	\$ 377,381	\$ 4,209	\$ 377,983	\$ 816	\$ 816

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES
JULY 1, 2015 TO JUNE 30, 2016

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Motor Vehicle Excise Taxes:						
Lewy of 2016	\$ -	\$ 2,329,148	\$ 35,479	\$ 2,194,444	\$ 99,225	\$ 99,225
Lewy of 2015	89,215	449,885	25,092	481,255	32,753	32,753
Lewy of 2014	32,553	-	2,065	16,614	13,874	13,874
Lewy of 2013	15,519	46	1,242	1,740	12,583	12,583
Lewy of 2012	9,183	-	-	1,401	7,782	7,782
Prior Years	18,875	-	16,704	457	1,714	1,667
Total Motor Vehicle Excise Taxes	165,345	2,779,079	80,582	2,695,911	167,931	167,884
Boat Excise Taxes:						
Lewy of 2015	-	2,235	56	1,934	245	245
Lewy of 2014	746	-	69	30	647	667
Lewy of 2013	430	-	(69)	26	473	480
Lewy of 2012	418	-	-	-	418	418
Prior Years	590	-	-	(161)	751	892
Total Boat Excise Taxes:	2,184	2,235	56	1,829	2,534	2,702
Total Motor Vehicle and Boat Excise Taxes	\$ 167,529	\$ 2,781,314	\$ 80,638	\$ 2,697,740	\$ 170,465	\$ 170,586

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Accounts July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2016	Uncollected Accounts Per Detail June 30, 2016
General Fund:						
Tax Liens	\$ 928,032	\$ 272,187	\$ 21,400	\$ 238,342	\$ 940,477	\$ 935,107
Non-major Governmental Fund:						
Community Preservation Surcharge:						
Tax Liens	\$ 8,253	\$ 2,272	\$ 17	\$ 2,072	\$ 8,436	\$ 4,358

Town of Grafton Capital Improvement Planning Committee (CIPC)

Town of Grafton Capital Improvement Planning Committee (CIPC)

To: Grafton Board of Selectman

From: Peter R. Carlson, Chair CIPC

CC: Bob Nault, Karl Moisan, Sargon Hanna, Joel Schwendemann, Tim McInerney, Jay Cummings, Dan Gayle, Jennifer Thomas, Laura Often

Date: March 21, 2017

Re: CIPC Recommendation to the Board of Selectman FY2018 Capital requests.

It is my pleasure to report that the CIPC has completed its task for fiscal 2018. The CIPC committee has authorized the chair to meet with the Board of Selectman and speak on it's behalf about the CIPC's recommendation and to be available to answer questions regarding the outcome of this process.

During our meeting, we have outlined a list of capital items to be considered for your review. Our recommendation is evaluated on the many needs of all departments while addressing the limited funding. After our review process, we have decided to take the residual \$86,405 of available funds and request that the Town Administrator reallocate the funds to the following areas:

1. \$30,000 to add to the existing \$80,000 set aside for a new Fire Department apparatus. This would bring that amount to \$110,000 as a down-payment towards a new lease.
2. \$16,405 added to the Fire Department extra ordinary maintenance to assist with the department's equipment study.
3. \$40,000 towards a FY2019 request by the School Department for a van outfitted for children with special needs.

The following is the list of projects in order per the vote of the CIPC ranked per our recommendation. Project A-C is lease related and 1 thru 34 is available with current funding. Project 32 thru 38 were manually adjusted per the CIPC vote taken at its last meeting.

Project #	Department	Project	Project Cost	Other Funding	Available Funding 1,300,000
A	DPW	Street Sweeper LEASE	\$ 33,175.00		\$ 1,266,825.00
B	Fire Dept	Engine 2 LEASE	\$ 109,500.00		\$ 1,157,325.00
C	School	Uninvents NGES LEASE	\$ 69,500.00		\$ 1,087,825.00
1	School	Building Security Districtwide	\$ 75,000.00	\$ -	\$ 1,012,825.00
2	Fire Dept	Replacement of Engine 1	\$ 525,000.00	\$ 525,000.00	\$ 1,012,825.00
3	Police Dept	Replacement Video Recording System	\$ 13,000.00	\$ -	\$ 999,825.00
4	School	Tile replacement MSES	\$ 27,000.00	\$ -	\$ 972,825.00
5	School	Replacement stair tread GMS	\$ 70,000.00	\$ -	\$ 902,825.00
6	School	carpet NGES replacement NGES	\$ 50,000.00	\$ -	\$ 852,825.00
7	Highway	Replace vehicle 45 Caterpillar Loader	\$ 155,000.00	\$ 155,000.00	\$ 852,825.00
8	Highway	New 5Ton Truck W/ Stainless Body/Plow	\$ 221,300.00	\$ 221,300.00	\$ 852,825.00
9	School	Handicap Parking MSES	\$ 40,000.00	\$ -	\$ 812,825.00

10	School	concrete curbing GMS/GHS	\$ 65,000.00	\$ -	\$ 747,825.00
11	School	Bathroom Upgrade NGES	\$ 45,000.00	\$ -	\$ 702,825.00
12	Municipal Center	ADA counters for Treasurer Collector	\$ 16,000.00	\$ -	\$ 686,825.00
13	School	sidewalk repair MSES	\$ 15,000.00	\$ -	\$ 671,825.00
14	School	Ceiling Replacement NGES	\$ 16,000.00	\$ -	\$ 655,825.00
15	Parks & Cemetery	Replace roof - Fishersville Building Ferry St	\$ 6,000.00	\$ -	\$ 649,825.00
16	Parks & Cemetery	Replace roof - Fairview Cemetery Garage	\$ 11,000.00	\$ -	\$ 638,825.00
17	School	music room carpeting replacement SGES	\$ 42,000.00	\$ -	\$ 596,825.00
18	Parks & Cemetery	Replace vehicle C-1 05 Pickup	\$ 40,000.00	\$ -	\$ 556,825.00
19	Sewer	Chevy Pick-up	\$ 50,000.00	\$ 50,000.00	\$ 556,825.00
20	School	Re-pave Driveway NGES	\$ 40,000.00	\$ -	\$ 516,825.00
21	Highway	Traffic Sign cutter and software	\$ 7,695.00	\$ -	\$ 509,130.00
22	Police Dept	Four (4) Pole Mounted Radar Units	\$ 16,000.00	\$ -	\$ 493,130.00
23	Election & Registration	Electronic Poll Pads	\$ 13,725.00	\$ -	\$ 479,405.00
24	Sewer	2009 Ford F350 S-2	\$ 40,000.00	\$ 40,000.00	\$ 479,405.00
25	School	Replacement Furniture	\$ 60,000.00	\$ -	\$ 419,405.00
26	Library	Chimney Repointing	\$ 25,000.00	\$ -	\$ 394,405.00
27	School	Preschool Playground NGES	\$ 45,000.00	\$ -	\$ 349,405.00
28	Election & Registration	Voter Scanner and Tabulator System	\$ 42,000.00	\$ -	\$ 307,405.00
29	School	Stage Curtain Replacement NSES	\$ 35,000.00	\$ -	\$ 272,405.00
30	Library	Column Repair	\$ 10,000.00	\$ -	\$ 262,405.00
31	Library	Self-check out RFID	\$ 38,000.00	\$ -	\$ 224,405.00
32	School	Hot Water Heater Replacement SGES	\$ 28,000.00	\$ -	\$ 196,405.00
33	School	Hot Water Heater Replacement GMS	\$ 35,000.00	\$ -	\$ 161,405.00
34	Library	5-bin Automatic Materials Handler	\$ 75,000.00	\$ -	\$ 86,405.00
35	Fire Dept	Mobile Tanker Truck	\$ 425,000.00	\$ -	\$ (338,595.00)
36	School	Kitchen Renovation NGES	\$ 120,000.00	\$ -	\$ (458,595.00)
37	Library	Window Repair	\$ 142,000.00	\$ -	\$ (600,595.00)
38	School	Maintenance Garage GMS/GHS	\$ 400,000.00	\$ -	\$ (1,000,595.00)

Respectively Summited on Behalf of the CIPC

Peter R. Carlson, Chair.

Project No.	Dept.	Project Title	Score	Raw Cost of Project	Other Funding, Ch 80, CPC	Cost with Other Funding	Total Available Funding	Notes, Comments and Recommendations
(master) WEIGHTING FACT OR S =>								
A	DPW	Street Sweeper LEASE	NA	\$ 2,128,895.00			\$ 1,300,000.00	Total Appropriated Funding + Chapter 80
B	Fire Dept	Engine 2 LEASE	NA	\$ 33,175.00			\$ 1,260,825.00	Recurring Lease Payment
C	School	Undwents NGES LEASE	NA	\$ 69,500.00			\$ 1,197,325.00	Recurring Lease Payment
1	School	Building Security Districtwide	87.2	\$ 75,000.00	\$ -	\$ 75,000.00	\$ 1,062,825.00	Recurring Lease Payment
2	Fire Dept	Replacement of Engine 1	87.1	\$ 525,000.00	\$ 525,000.00	\$ -	\$ 1,012,825.00	lease option
3	Police Dept	Replacement Video Recording System	81.8	\$ 13,000.00	\$ -	\$ 13,000.00	\$ 989,825.00	
4	School	Tile replacement MSES	86.6	\$ 27,000.00	\$ -	\$ 27,000.00	\$ 972,825.00	
5	School	Replacement stair tread GMS	74.8	\$ 70,000.00	\$ -	\$ 70,000.00	\$ 902,825.00	
6	School	carpet NGES replacement NGES	88.8	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 852,825.00	
7	Highway	Replace vehicle 45 Caterpillar Loader	88.6	\$ 155,000.00	\$ 155,000.00	\$ -	\$ 852,825.00	Chapter 80 funds to offset
8	Highway	New 5 Ton Truck W/ Stainless Body/Plow	88.2	\$ 221,300.00	\$ 221,300.00	\$ -	\$ 852,825.00	Chapter 80 funds to offset
9	School	Handicap Parking MSES	87.0	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 812,825.00	
10	School	concrete curbing GMS/GHS	86.1	\$ 65,000.00	\$ -	\$ 65,000.00	\$ 747,825.00	
11	School	Bathroom Upgrade NGES	86.2	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 702,825.00	
12	Municipal Center	ADA counters for Treasurer Collector	84.1	\$ 16,000.00	\$ -	\$ 16,000.00	\$ 686,825.00	
13	School	sidewalk repair MSES	84.4	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 671,825.00	
14	School	Ceiling Replacement NGES	80.4	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 655,825.00	
15	Parks & Cemetery	Replace roof - Fishersville Building Ferry St	82.1	\$ 9,000.00	\$ -	\$ 9,000.00	\$ 638,825.00	
16	Parks & Cemetery	Replace roof - Fairview Cemetery Garage	82.1	\$ 11,000.00	\$ -	\$ 11,000.00	\$ 638,825.00	
17	School	music room carpeting replacement SGES	57.8	\$ 42,000.00	\$ -	\$ 42,000.00	\$ 596,825.00	
18	Parks & Cemetery	Replace vehicle C-1 05 Pickup	85.5	\$ 49,000.00	\$ -	\$ 49,000.00	\$ 556,825.00	
19	Sewer	Cherry Pick-up	84.1	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 556,825.00	Sewer Enterprise Account to offset
20	School	Re-pave Driveway NGES	83.8	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 516,825.00	
21	Highway	Traffic Sign cutter and software	83.3	\$ 7,695.00	\$ -	\$ 7,695.00	\$ 509,130.00	
22	Police Dept	Four (4) Pole Mounted Radar Units	83.1	\$ 16,000.00	\$ -	\$ 16,000.00	\$ 493,130.00	
23	Election & Registration	Electronic Poll Pads	82.8	\$ 13,725.00	\$ -	\$ 13,725.00	\$ 479,405.00	
24	Sewer	2008 Ford F350 S-2	82.1	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 479,405.00	Sewer Enterprise Account to offset
25	School	Replacement Furniture	51.4	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 419,405.00	
26	Library	Chimney Repointing	48.5	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 394,405.00	
27	School	Preschool Playground NGES	46.2	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 349,405.00	
28	Election & Registration	Voter Scanner and Tabulator System	47.1	\$ 42,000.00	\$ -	\$ 42,000.00	\$ 307,405.00	
29	School	Stage Curtain Replacement NSES	46.8	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 272,405.00	
30	Library	Column Repair	45.5	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 262,405.00	
31	Library	Self-check out RFID	33.2	\$ 38,000.00	\$ -	\$ 38,000.00	\$ 224,405.00	
32	School	Hot Water Heater Replacement SGES	11.1	\$ 28,000.00	\$ -	\$ 28,000.00	\$ 196,405.00	
33	School	Hot Water Heater Replacement GMS	11.0	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 161,405.00	
34	Library	5-bin Automatic Meterfields Handler	10.9	\$ 75,000.00	\$ -	\$ 75,000.00	\$ 86,405.00	
35	Fire Dept	Mobile Tanker Truck	10.0	\$ 425,000.00	\$ -	\$ 425,000.00	\$ (338,595.00)	Look at cancelled order and or used
36	School	Kitchen Renovation NGES	8.0	\$ 120,000.00	\$ -	\$ 120,000.00	\$ (458,595.00)	Level three item
37	Library	Window Repair	0.0	\$ 142,000.00	\$ -	\$ 142,000.00	\$ (600,595.00)	
38	School	Maintenance Garage GMS/GHS	0.0	\$ 400,000.00	\$ -	\$ 400,000.00	\$ (1,000,595.00)	



TOWN OF GRAFTON
Department of Public Works

30 Providence Road
Grafton, MA 01519
David Crouse, Highway Superintendent
croused@graffon-ma.gov
(508) 839-5335
www.graffon-ma.gov

Memo

To: Tim McInerney
From: Phil Johnson
Date: 3-23-17
Re: Part Time Seasonal Cemetery Caretaker

I would like to recommend Peter Mackiewicz, 2 Meadowbrook Rd, Grafton Ma. 01519 be appointed as a part time cemetery caretaker at \$12.28 per hour. This is a 25 hour per week position from April to November.

If you have any questions, please feel free to contact me.



TOWN OF GRAFTON
Department of Public Works
30 Providence Road
Grafton, MA 01519
David Crouse, Highway Superintendent
croused@grafton-ma.gov
(508) 839-5335
www.grafton-ma.gov

Memo

To: Tim McInerney
From: Phil Johnson
Date: 3-30-17
Re: Part Time Cemetery Laborer

I would like to recommend Chase Heck, 23 Hawthorne St, North Grafton Ma. 01536 to be appointed as a part time cemetery laborer at \$12.28 per hour. This is a 40 hour per week position from May to August. Approximately 12-15 weeks.

If you have any questions, please feel free to contact me.

ADVERTISEMENT

The Town of Grafton, the Awarding Authority, invites sealed bids from General Contractors for the STOWE ROAD DRAINAGE PROJECT for the Town of Grafton in Grafton, Massachusetts, in accordance with the documents prepared by Graves Engineering, Inc.

The work to be done under this contract consists of the installation of approximately 500 feet of a storm water collection and conveyance system along Stowe Road in Grafton, Massachusetts. The work includes installing new manholes, catch basins, drainage pipes and regrading roadway shoulders; installing temporary bituminous concrete trench patch; traffic control; abandoning, adjusting and removing drainage structures; construction of a detention basin; restoration and other incidental items as set forth in the proposal.

The work is estimated to cost \$ 375,000.

Bids are subject to M.G.L. c.30 § 39M & to minimum wage rates as required by M.G.L. c.149 §§26 to 27H inclusive.

Stowe Road Drainage and Improvement Project

Grafton, MA

Bid Opening Checklist

March 17, 2017 - 1:00PM

<u>Company Name</u>	<u>Base Bid</u>	<u>Bid Alternate</u>	<u>Total</u>	<u>Similar Project Work</u>	<u>Affidavit</u>	<u>Debarment</u>	<u>Lobbying</u>	<u>Affirmative Action</u>	<u>Bid Bond</u>	<u>Addendum</u>
Peter Richard Bros		N/A	425,000.-	✓	✓	✓	✓	✓	✓	1+2
SumCo Eco Const.		N/A	462,000.-	✓	✓	✓	✓	✓	✓	1+2
DeRose Const. Co.		N/A	431,250.-	✓	✓	✓	✓	✓	✓	1+2
GVC Construction		N/A	780,195.-	✓	✓	✓	✓	✓	✓	1+2
FIVE OAKS CONST.		N/A	427,900.-	✓	✓	✓	✓	✓	✓	1+2
P.W. Brown		N/A	387,470.-	✓	✓	✓	✓	✓	✓	1+2
RA Hammond Const Corp		N/A	417,530.53		✓	✓		✓	✓	1+2

Opened By: Ben Sglio

Witnessed By: Chut & C

Stowe Road Drainage and Improvement Project

Grafton, MA

Bid Opening Checklist

March 17, 2017 – 1:00PM

<u>Company Name</u>	<u>Base Bid</u>	<u>Bid Alternate</u>	<u>Total</u>	<u>Similar Project Work</u>	<u>Affidavit</u>	<u>Debarment</u>	<u>Lobbying</u>	<u>Affirmative Action</u>	<u>Bid Bond</u>	<u>Addendum</u>
U.E.L. Contractors		N/A	584,200.—	✓	✓	✓	✓	✓	✓	✓ 1+2
AS Virgilio		N/A	599,900.—	✓	✓	✓	✓	✓	✓	✓ 1+2
Northern Const. Service		N/A	693,789.—	✓	✓	✓	✓	✓	✓	✓ 1+2
ET&L Corp.		N/A	685,000.—	✓	✓	✓	✓	✓	✓	✓ 1+2
Key Corp.		N/A	475,700.—	✓	✓	✓	✓	✓	✓	✓ 1+2
Aqua Line Utility		N/A	484,800.—	✓	✓	✓	✓	✓	✓	✓ 1+2
Borges Construction		N/A	392,550.—	✓	✓	✓	✓	✓	✓	✓ 1+2

3)

Opened By:

B. S. S. S.

Witnessed By:

John D. C.

Stowe Road Drainage and Improvement Project

Grafton, MA

Bid Opening Checklist

March 17, 2017 – 1:00PM

<u>Company Name</u>	<u>Base Bid</u>	<u>Bid Alternate</u>	<u>Total</u>	<u>Similar Project Work</u>	<u>Affidavit</u>	<u>Debarment</u>	<u>Lobbying</u>	<u>Affirmative Action</u>	<u>Bid Bond</u>	<u>Addendum</u>
1 Q. Damrosch		N/A	372,800.-	✓	✓	✓	✓	✓	✓	✓ 1+2
JH Lynch		N/A	452,309.35	✓	✓	✓	✓	✓	✓	✓ 1+2
David G. Neale & Sons		N/A	461,000.-	✓	✓	✓	✓	✓	✓	✓ 1+2
Taske Construction		N/A	439,231.-	✓	✓	✓	✓	✓	✓	✓ 1+2
		N/A								
		N/A								
		N/A								

Opened By: Brian Sgallone Witnessed By: Chris D.

Rebecca Meekins

From: Leah Cameron
Sent: Friday, March 31, 2017 12:05 PM
To: Tim McInerney; Rebecca Meekins; Cindy Ide
Subject: Green Communities Update
Attachments: criterion-4-guidance.pdf

Good Afternoon,

I just wanted to give you all an update about the vehicle information I have been collecting for the town's fleet.

There are two reasons why I needed this information. The first is to be able to provide baseline data about the town's energy usage as a whole. The second is to be able to figure out which vehicles in the town's fleet would be subject to the town's Fuel Efficient Vehicle Policy (should we adopt one...).

After gathering data on all of the town vehicles, I have determined that the following eight vehicles would be subject to such policy:

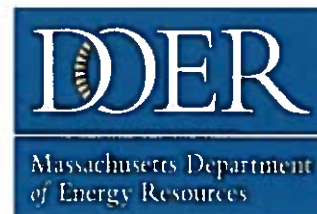
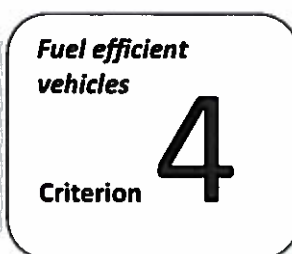
Make & Model	Model Year	Month & Year Purchased	Drive System: 2WD, 4WD, AWD	>8,500 lbs?	Exempt or Non-Exempt?	MPG Rating	Function
CHEVROLET SILVERADO	2004	Jul-04	4WD	No	Non-Exempt	15	DPW*
FORD EXPLORER	2007	Sep-06	AWD	No	Non-Exempt	15	DPW
FORD F250 PICKUP	2016	Oct-15	4WD	No	Non-Exempt	N/A	DPW
CHEVROLET K3500	1999	May-99	4WD	No	Non-Exempt	N/A	FIRE
FORD EXPEDITION	2008	Jan-08	4WD	No	Non-Exempt	N/A	FIRE
FORD CROWN VICTORIA	2011	Jan-15	2WD	No	Non-Exempt	N/A	MUNICIPAL
FORD CROWN VICTORIA	2011	Jul-11	2WD	No	Non-Exempt	N/A	MUNICIPAL
FORD F250 PICKUP	2014	Oct-13	4WD	No	Non-Exempt	N/A	SEWER

The rest of the town vehicles are exempt from such policy for various reasons (heavy-duty, vans, police cruisers, etc.). The policy only affects the replacement of these eight vehicles, not the existing vehicles themselves. However, under the policy, when these vehicles need to be replaced, they must be replaced with vehicles that meet the current MPG standards set up in the Green Communities program guidance. You can find more information in the attachment I have provided.

Please let me know if you have any questions or concerns.

Leah Cameron
Conservation Assistant
Grafton Conservation Commission
30 Providence Road
Grafton, MA 01519
508-839-5335 x1138
cameronl@grafton-ma.gov
concom@grafton-ma.gov

Please consider the environment before printing this email.



INTRODUCTION

Criterion Four of the Green Communities Program states that communities must purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable. The purpose behind this criterion is to reduce carbon dioxide emissions by municipal vehicles, which has a positive impact on the environment and saves municipalities money.

As background, the US Environmental Protection Agency's Green Vehicle Guide states that:

Vehicles with lower fuel economy create more carbon dioxide - the most prevalent greenhouse gas - than vehicles with higher fuel economy. Every gallon of gasoline your vehicle burns puts about 20 pounds of carbon dioxide into the atmosphere because air has weight and mass, and it takes a lot of it to burn a gallon of gasoline. One of the most important things you can do to reduce your contribution to global warming is to buy a vehicle with higher fuel economy. The difference between 25 miles per gallon and 20 miles per gallon can amount to the prevention of 10 tons of carbon dioxide over a vehicle's lifetime. Buying a more fuel efficient vehicle will also will help to reduce our nation's dependence on fossil fuels. And of course, you will save money by having to fuel up less often.

COMPLIANCE

To meet this criterion, municipalities need to adopt by action of the local official or body with authority to enact municipal policies a written Fuel Efficient Vehicle Policy that requires municipal departments and divisions to purchase only fuel efficient vehicles (***See Appendix A, model policy***). Both general government and school districts are required to enact a fuel efficient vehicle policy for a municipality to meet this requirement, and letters documenting adoption must be provided and signed by the appropriate municipal authorities, as noted below. Letters from other municipal officials are not acceptable.

For letters from the general government and school district:

- **General Government** – The general government must provide a letter from the Chief Executive Officer of the city or town stating that it has adopted the Fuel Efficient Vehicle Policy.

The Chief Executive Officer is defined as the manager in any city having a manager and in any town having a city form of government, the Mayor in any other city, and the Board of Selectmen in any other town unless some other officer or body is designated to perform the functions of a Chief Executive Officer under the provisions of a local charter or laws having the force of a charter.

- **Public School Districts** - For a municipality to meet this requirement, its public school district must provide a letter from the School Superintendent stating that it has adopted the Fuel Efficient Vehicle Policy. Please note that even if the school only has vehicles that are exempt from the Policy, adoption of the Policy by the school must be provided since the school may acquire non-exempt vehicles in the future.
- **Regional School Districts** – Regional School Districts are not required to be part of a municipality's Green Communities designation application. However, for regional school districts that wish to be part of a municipality's Green Communities designation (with approval by the municipality), the regional school district must also adopt the Fuel Efficient Vehicle Policy and provide a letter from the Superintendent stating that it has adopted the Policy.

Sample adoption letters are provided in Appendices B and C.

In addition, the municipality is required to develop and maintain a vehicle inventory for all four-wheeled vehicles, both exempt and non-exempt. A plan for replacing non-exempt vehicles with vehicles that meet the fuel efficiency ratings below must also be developed and maintained. This inventory of all vehicles and replacement plan for non-exempt vehicles must include school vehicles. The fuel efficiency ratings are set to ensure that at least five or more automatic transmission models of mass production are available for sale in Massachusetts (all from affordable brands; no luxury brands). Based on 2010 EPA data, vehicles are to have a combined city and highway MPG no less than the following:

- 2 wheel drive car: 29 MPG
- 4 wheel drive car: 24 MPG
- 2 wheel drive minivan 20 MPG
- 4 wheel drive minivan 18 MPG
- 2 wheel drive pick-up truck: 17 MPG
- 4 wheel drive pick-up truck: 16 MPG
- 2 wheel drive sport utility vehicle: 21 MPG
- 4 wheel drive sport utility vehicle: 18 MPG

Hybrid or electric vehicles in these vehicle classes will meet these criteria.

To inform your purchasing decisions, information on makes and models of vehicles, including fuel economy comparisons, can be found at: <http://www.fueleconomy.gov> We encourage use of this valuable resource for informing decisions.

In addition, many vehicles that meet the above criteria can be found on statewide contract VEH98,

"Purchase of Light Duty Vehicles – Passenger Cars, SUVs, Trucks, Vans, SSVs and PPVs," located on www.commbuys.com

***NOTE:** The EPA maintains a database on vehicle fuel efficiency that is updated occasionally throughout the year, as new models are released. As increasing numbers of fuel efficient vehicle models are released, the minimum combined MPG requirements of Criterion 4 will be revised upwards. Thus, cities and towns must check the Criterion 4 Guidance for updates prior to ordering new vehicles.

In order to encourage efficient driving practices, municipalities should implement a monitoring system to record miles driven, fuel consumption, etc. for each vehicle in every department. A monitoring system will help facilitate the municipality's reduction in aggregate energy consumption. If a municipality provides fuel for fleet vehicles, it should consider using a universal fleet card that provides a monitoring system for tracking fuel use.

VEHICLE RECYCLING

Recycling of vehicles – i.e., moving a previously purchased and used vehicle from one municipal department to another municipal department in need of a vehicle – is only allowed if the vehicle being recycled to a new department meets the fuel efficient criteria listed above. Please be advised that a recycled Ford Crown Victoria does not meet the MPG rating and therefore would not meet fuel efficient vehicle requirements. When a city or town is ready to retire a Crown Victoria police vehicle, fleet disposal companies can provide an attractive option.

EXEMPTIONS

Vehicles that are exempt from the municipal Fuel Efficient Vehicle Policy include motorcycles and heavy-duty vehicles defined as having a manufacturer's gross vehicle weight rating (GVWR) of more than 8,500 pounds. Examples include fire engines, ambulances, and some public works vehicles. In addition, police cruisers, passenger vans, and cargo vans are exempt from this criterion, but, municipalities must commit to purchasing fuel efficient cruisers, passenger vans, and cargo vans when they become commercially available. Police and fire department administrative vehicles **MUST** meet fuel efficient requirements.

Emergency Response vehicles that are under 8,500 pounds and for which fuel efficient models are available are **NOT** exempt.

PLEASE NOTE: If a vehicle is found on www.fueleconomy.gov, then it has a GVWR of less than 8,500 pounds, is **NOT** a heavy-duty vehicle and is **NOT** exempt.

ALTERNATIVE COMPLIANCE

If a municipality has a vehicle fleet composed of all exempt vehicles (e.g. heavy-duty vehicles and/or police cruisers), it must propose alternative means of reducing vehicle fuel consumption in order to comply with this criterion. Examples of Alternative Compliance include having in place policies and programs that reduce vehicle fuel consumption such as: carpooling incentives for municipal employees; preferred

parking for employees with hybrid vehicles; bicycle racks at municipal buildings; incentives to encourage employees to bike to work; or a bicycle sharing program for employees to travel within the municipality. Alternative compliance can also be provided through the installation of electric vehicle charging stations, and/or use of alternative fuels such as biodiesel blends from B-5 to B-20 for heavy duty fleets. While DOER encourages policies such as these for all municipalities, cities and towns that do not have any vehicles in their fleet subject to the MPG criteria MUST provide some form of Alternative Compliance. In addition, a municipality must note that, should it acquire non-exempt vehicles in the future, it is committed to purchasing non-exempt vehicles that meet the most recent guidance for Criterion 4 published by the MA Department of Energy Resources' Green Communities Division. See Appendix D for a model Fuel Efficient Vehicle Policy for Alternative Compliance.

A vehicle inventory of exempt vehicles must be provided.

Please note: Even if a municipality has only one non-exempt vehicle, it must have a Fuel Efficient Vehicle Policy in place. Alternative Compliance for meeting Criterion 4 can only be used if ALL vehicles in the fleet are exempt.

APPLICABILITY

All communities seeking Green Communities designation must adopt a fuel efficient vehicle policy that reflects the most recent MPG criteria published in this Guidance. If a municipality has adopted a policy that reflects old MPG criteria, it must have done so within the six months immediately preceding issuance of revised Guidance in order to qualify for credit under this criterion when applying for designation. All designated Green Communities must review their Fuel Efficient Vehicle Policy on an annual basis and ensure that their policies reflect DOER's most recently published MPG minimums. The Annual Reporting required of Green Communities will include this information.

Future Financial Considerations

Contingency language regarding potential future budgetary constraints in Fuel Efficient Vehicle Policies will not be accepted. DOER recognizes that predicting and committing future budgets is difficult and will work with municipalities on a case-by-case basis should they encounter difficulty complying with their Fuel Efficient Policy due to a budget issue in a particular year.

FOR MORE INFORMATION

Websites:

www.mass.gov/energy/greencommunities

www.fueleconomy.gov

Statewide contract **VEH98**,

"Purchase of Light Duty Vehicles: Passenger Cars, SUVs, Trucks, Vans, SSVs and PPVs"

located on www.commbuys.com.

Contact your [Regional Coordinator](#)

APPENDIX A

This model policy was prepared to assist cities and towns in developing a fuel efficient vehicle policy. This model policy is intended for illustration purposes. Communities are free to utilize the format provided.

Municipality / School District	
FUEL EFFICIENT VEHICLE POLICY	
Effective Date	
Revisions	
Board of Selectman Approval Date	
School Superintendent Approval Date	

DEFINITIONS

Combined city and highway MPG (EPA Combined fuel economy): Combined Fuel Economy means the fuel economy from driving a combination of 43 percent city and 57 Percent highway miles and is calculated as follows:

$$=1/((0.43/City\ MPG)+(0.57/Highway\ MPG))$$

Drive System: The manner in which mechanical power is directly transmitted from the drive shaft to the wheels. The following codes are used in the drive field:

- AWD = All Wheel Drive: 4 -wheel drive automatically controlled by the vehicle power train system
- 4WD = 4-Wheel Drive: driver selectable 4-wheel drive with 2-wheel drive option
- 2WD = 2-Wheel Drive

Heavy-duty vehicle: A vehicle with a manufacturer's gross vehicle weight rating (GVWR) of more than 8,500 pound

POLICY STATEMENT

In an effort to reduce the (city/town/school district/other local entity)'s fuel consumption and energy costs the (policy making body) hereby adopts a policy to purchase only fuel efficient vehicles to meet this goal.

PURPOSE

To establish a requirement that the (city/town/school district/other local entity) purchase only fuel efficient vehicles for municipal/school use whenever such vehicles are commercially available and practicable.

APPLICABILITY

This policy applies to all divisions and departments of the (city/town/school district/other local entity).

GUIDELINES

All departments/divisions shall purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable.

The (city/town/school district/other local entity) will maintain an annual vehicle inventory for ALL vehicles and a plan for replacing any non-exempt vehicles with vehicles that meet, at a minimum, the fuel efficiency ratings contained in the most recent guidance for Criterion 4 published by the MA Department of Energy Resources' Green Communities Division.

It is the responsibility of the (city/town/school district/other local entity) to check the Green Communities Division's Guidance for Criterion 4 for updates prior to ordering replacement vehicles.

Exemptions

- Heavy-duty vehicles: examples include fire-trucks, ambulances, and some public works trucks that meet the definition of heavy-duty vehicle
- Police cruisers, passenger vans and cargo vans are exempt from this criterion since fuel efficient models are not currently available. However, we commit to purchasing fuel efficient police cruisers, passenger vans and cargo vans when they become commercially available. Police and fire department administrative vehicles are NOT exempt and must meet fuel efficient requirements.

Inventory

The following information shall be included in a vehicle inventory list and said list shall be updated on an annual basis and provided to the Green Communities Division:

Model	Make	Model Year	Year/month Purchased	Drive System: 2 WD, 4WD or AWD	> 8500 pounds ? (Y or N)	Exempt or non-exempt	MPG Rating	Vehicle Function

NOTE: Departments/Divisions may use EPA combined MPG estimates or actual combined MPG.

FUEL EFFICIENT VEHICLE REPLACEMENT PLAN

All non-exempt vehicles shall be replaced with fuel-efficient vehicles that adhere to the most recent Green Communities Criterion 4 Guidance. Vehicles shall be replaced when they are no longer operable and will not be recycled from one municipal department to another unless the recycled replacement vehicle meets the fuel efficiency ratings outlined in the Policy. In addition, when replacing exempt vehicles, the function of the vehicle will be reviewed for potential replacement with a more fuel efficient vehicle, including a fuel efficient non-exempt vehicle.

(city/town/school district/other local entity) will review on an annual basis the Vehicle Inventory, along with the Green Communities Criterion 4 Guidance, to plan for new acquisitions as part of planning for the new fiscal year budget.

QUESTIONS / ENFORCEMENT

All other inquiries should be directed to the department/division responsible for fleet management and/or fleet procurement. This policy is enforced by the Chief Administrative Officer and/or his/her designee(s).

Appendix B

Sample town adoption letter

Letter must be on Town Letterhead

**MA Department of Energy Resources
Green Communities Division
100 Cambridge Street – Suite 1040
Boston, MA 02114**

{date of letter}

At a public Board of Selectmen meeting held on [DATE], the Board of Selectmen voted to adopt the attached Fuel Efficiency Vehicle Policy.

Thank you.

Signature and Typed Name of Chair

Appendix C

Sample School Adoption Letter

Letter must be on School letterhead

**MA Department of Energy Resources
Green Communities Division
100 Cambridge Street – Suite 1040
Boston, MA 02114**

{date of letter}

Please be advised that the Public Schools of [Town] hereby adopted the attached Fuel Efficiency Vehicle Policy.

Thank you.

Signature and Typed Name of Superintendent of Schools

Appendix D

This model policy was prepared to assist cities and towns in developing a fuel efficient vehicle policy. This model policy is intended for illustration purposes. Communities are free to utilize the format provided.

(city/town/school district/other local entity name) Alternative Compliance Fuel Efficient Vehicle
Policy

FEVP Effective Date	
Date of Municipal Approval	
Date of Board of Selectmen Approval	
Date of School Superintendant Approval	

INTRODUCTION

Criterion Four of the Green Communities Program states that a Green Community must purchase fuel-efficient vehicles for municipal use, including schools, whenever such vehicles are commercially available and practicable. (city/town/school district/other local entity name) currently owns 10 vehicles for municipal use. All vehicles fall into the exempt status according to the Green Community's Criterion 4 guidance. (city/town/school district/other local entity name) has adopted this Fuel Efficient Vehicle Policy (FEVP) to purchase the most fuel-efficient vehicles for all departments/divisions whenever they become commercially available.

This policy is established to reduce the consumption of fossil fuels, which in turn will have a positive impact on the environment and save tax dollars. Under this policy (city/town/school district/other local entity name) hereby establishes a monitoring system to help facilitate the municipality's reduction in vehicle consumption. (city/town/school district/other local entity name) Select Board will establish and oversee the monitoring system in conjunction with the town and school officials and staff. Additionally, (city/town/school district/other local entity name) has adopted an anti-idling policy for all municipally-owned vehicles.

ALTERNATIVE COMPLIANCE

(city/town/school district/other local entity name) has all exempt vehicles (see attachment A, vehicle inventory). Therefore, city/town/school district/other local entity is seeking Alternative Compliance for Criterion 4 based on the following three actions:

- 1) (city/town/school district/other local entity name) has developed an inventory of all registered vehicles for each department.

- 2) The annual miles driven (or hours used) and total fuel consumption will be determined starting in the municipal fiscal years of 2014, beginning on July 1, 2014. city/town/school district/other local entity will review this information in September of each year for potential ways to reduce consumption, including: reducing vehicle miles traveled, replacing exempt vehicles with fuel-efficient non-exempt vehicles, replacing exempt vehicles with more efficient exempt vehicles.
- 3) (city/town/school district/other local entity name) has adopted an anti-idling policy, in accordance with MGL chapter 90, Section 16A (see Attachment B) applicable to all municipal vehicles to reduce vehicle fuel consumption and emissions.
- 4) (city/town/school district/other local entity name) is a rural community with no access to public transportation, and, since employees travel to work from multiple directions, carpooling is unrealistic. However, two (2) priority parking place for employees traveling to work with hybrid and electric vehicles have been created closest to the main entrance of Town Hall.

POLICY STATEMENT

In an effort to reduce (city/town/school district/other local entity name)'s fuel consumption and energy costs, (city/town/school district/other local entity name)'s Board of Selectmen hereby adopts this policy to purchase the most fuel-efficient vehicles to meet this goal.

APPLICABILITY

This policy applies to all divisions and departments of (city/town/school district/other local entity name).

GUIDELINES

All departments/divisions will purchase the most fuel-efficient vehicles for municipal use (including police, fire and highway) whenever such vehicles are commercially available and practicable.

(city/town/school district/other local entity name) will maintain an annual vehicle inventory for all vehicles and a plan for replacing any non-exempt vehicles that meet, at a minimum, the fuel efficiency ratings contained in the most recent guidance for Criterion 4 published by the MA Department of Energy Resources' Green Communities Division. The fuel efficiency ratings contained therein are based on the most recently published US Environmental Protection Agency combined city and highway MPG ratings for vehicles. The most recent Green Communities Guidance for Criterion 4 will be checked for updates prior to ordering replacement vehicles.

Exemptions

Heavy-duty vehicles such as fire trucks, ambulances, heavy-duty trucks and vans, as well as motorcycles are exempt from this criterion. Police cruisers are also exempt from this criterion. However, (city/town/school district/other local entity name) commits to purchasing fuel-efficient cruisers when they become commercially available and practicable. Police Department administrative vehicles must meet fuel-efficient requirements unless they are also used as police cruisers.

Inventory

An inventory of all Town vehicles is contained in Attachment A and shall be updated on an annual basis.

FUEL EFFICIENT VEHICLE REPLACEMENT PLAN

All non-exempt vehicles shall be replaced with fuel-efficient vehicles that meet the fuel efficiency ratings outlined in the Policy. Vehicles shall be replaced when they are no longer operable and will not be recycled from one municipal department to another unless the recycled replacement vehicle meets the fuel efficiency ratings outlined in the Policy. In addition, when replacing exempt vehicles, the function of the vehicle will be reviewed for potential replacement with a more fuel efficient vehicle, including a fuel efficient non-exempt vehicle.

The Vehicle Inventory will be reviewed on an annual basis along with the Green Communities Criterion 4 Guidance to plan for new acquisitions as part of planning for the new fiscal year budget.

DEFINITIONS

Combined City and Highway MPG (EPA Combined fuel economy): Combined Fuel Economy means the fuel economy from driving a combination of 43 percent city and 57 percent highway miles and is calculated as follows:

$$\text{Combined City and highway MPG} = \frac{1}{\left(\frac{0.43}{\text{CityMPG}}\right) + \left(\frac{0.57}{\text{HighwayMPG}}\right)}$$

Drive System: The manner in which mechanical power is directly transmitted from the drive shaft to the wheels. The following codes are used in the drive field:

- AWD = All Wheel Drive: four-wheel drive automatically controlled by the vehicle power train system
- 4WD = 4 Wheel Drive: driver selectable four-wheel drive with 2-wheel drive option
- 2WD = 2-wheel Drive

Heavy-Duty Vehicle: A heavy-duty vehicle is defined as a vehicle with a manufacturer's gross vehicle weight rating (GVWR) of more than 8,500 pounds.

QUESTIONS AND ENFORCEMENT

All inquiries should be directed to the department/division responsible for fleet management and/or fleet procurement. This fuel Efficient Vehicle Replacement Plan is enforced by the Chief Administrative Officer and/or his/her designee(s).

ATTACHMENT A**(city/town/school district/other local entity name) MUNICIPAL VEHICLE INVENTORY**

#	Department	Make	Model	Model Year	Drive System ¹	Date Purchased (month/yr)	Gross Vehicle Weight ²	Exempt	Function
1	Ambulance	Ford		2004	4W	11/04	15,000	Yes	
2	DPW	Cat		1999	4W	6/04	11,100	Yes	
3	DPW	International		2007	2W	12/06	40,780	Yes	
4	DPW	John Deere		2008	4W	4/08	14,000	Yes	
5	Fire	Dodge		1951	4W	8/78	8,000	Yes	Brush Truck
6	Fire	International		1990	2W	12/89	35,000	Yes	Pumper
7	Fire	GMC	Yukon	1999	4W	12/10	8,500	Yes	
8	Fire	International	4400	2002	2W	8/02	35,000	Yes	Pumper
9	Highway	Cat	426B	1993	4W	4/08	16,000	Yes	Backhoe
10	Police	Ford	Crown Victoria	2006	4W	6/06	< 8,500	Yes	Cruiser

Notes: 1. Drive System: 2 WD, 4WD, or AWD

2. At minimum, a Town must indicate if the vehicle is <8,500 or >8,500 pounds

ATTACHMENT B

This sample policy was taken from the MA DEP's idling reduction toolkit, found at <http://www.mass.gov/dep/air/community/depirkit.doc>.

(city/town/school district/other local entity name) **ANTI-IDLING POLICY**

This policy applies to [Insert target audience: residents, municipal fleet, school] vehicles operated by or within the town/city of [name of municipality].

OBJECTIVES

- 1) To eliminate unnecessary idling of vehicles in order to reduce the community's exposure to exhaust from gasoline and diesel engines.
- 2) To educate and inform municipal employees and residents about the health and environmental effects of gasoline and diesel exhaust.

PURPOSE

Idling vehicles pollute the air and present several health and environmental hazards. Gasoline and diesel vehicles produce carbon monoxide, carbon dioxide, volatile organic compounds (VOCs) and oxides of nitrogen (NOx). Carbon monoxide causes respiratory distress and in high concentrations can be lethal; carbon dioxide is a primary contributor to global warming; and VOCs and NOx form ozone, ground-level smog and impair lung function. In addition, diesel exhaust contains fine particulate matter, which the U.S. Environmental Protection Agency has designated as a likely carcinogen. The elderly, chronically ill and children are all particularly vulnerable to these health effects because their lung function is respectively decreased, impaired or still in development.

In addition, Massachusetts General Law (MGL Chapter 90, Section 16A) and the Massachusetts Department of Environmental Protection (DEP) idling reduction regulation (310 CMR 7.11(1)(b)) both prohibit unnecessary vehicle idling by stating that the engine must be shut down if the vehicle will be stopped for more than five minutes. Exemptions include: 1) the vehicle is being serviced and the idling is required to repair the vehicle; or 2) the vehicle is making deliveries and needs to keep its engine running (to power refrigerators, for example); and, 3) the vehicle's accessory equipment needs to be powered, such as a fork lift or a truck's rear dump bed, or a wheelchair lift in a bus or van. To provide additional protections for children, MGL Chapter 90, Section 16B further restricts unnecessary idling in school zones.

In order to reduce the health and environmental effects of vehicle exhaust, comply with the state's idling reduction regulation and law, and decrease our use of fuel by reducing unnecessary idling, the following actions shall be implemented to the maximum extent practicable:

[Municipality would insert specific actions it will implement in its Idling Reduction Campaign such as: posting of signs in public areas, educating municipal employees and residents, establishing best management practices for municipal vehicle operations, etc.]

This policy is hereby approved by the [Governing Body], this [date], to eliminate unnecessary idling.

Signature: _____
Authorized Official



TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD
GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 • FAX (508) 839-4602
www.grafton-ma.gov

TOWN OF GRAFTON
Grafton, Massachusetts

ADMINISTRATIVE POLICY # 115
FUEL EFFICIENT VEHICLES POLICY

Policy Statement

In an effort to reduce the Town of Grafton's fuel consumption and energy costs, the Town hereby adopts a policy to purchase only fuel efficient vehicles.

Definitions

Combined City & Highway MPG (EPA Combined Fuel Economy): The fuel economy from driving a combination of 43% city miles and 57% highway miles, calculated as follows:

$$\frac{1}{\left(\frac{0.43}{\text{City MPG}}\right) + \left(\frac{0.57}{\text{Highway MPG}}\right)}$$

Drive System: The manner in which mechanical power is directly transmitted from the drive shaft to the wheels:

- AWD = All Wheel Drive: 4-wheel drive automatically controlled by the power train system
- 4WD = 4-Wheel Drive: driver selectable 4-wheel drive with 2-wheel drive option
- 2WD = 2-Wheel Drive

Heavy-Duty Vehicle: A vehicle with a manufacturer's gross vehicle weight rating (GVWR) of more than 8,500 pounds

PURPOSE

To establish a requirement that the Town of Grafton purchase only fuel efficient vehicles for municipal and school use whenever such vehicles are commercially available and practicable.

APPLICABILITY

This policy applies to all divisions and departments of the Town of Grafton.

GUIDELINES

All departments and divisions shall purchase only fuel efficient vehicles for municipal use whenever such vehicles are commercially available and practicable.

The Town of Grafton will maintain an annual vehicle inventory for ALL vehicles and a plan for replacing any non-exempt vehicles with vehicles that meet, at a minimum, the fuel efficiency ratings contained in the most recent guidance for Criterion 4 published by the MA Department of Energy Resources' Green Communities Division.

It is the responsibility of the Town of Grafton to check the Green Communities Division's Guidance for Criterion 4 for updates prior to ordering replacement vehicles.

Exemptions

- Heavy-duty vehicles meeting the above definition - examples include: fire-trucks, ambulances, and some public works trucks
- Police cruisers, passenger vans and cargo vans since fuel efficient models are not currently available. However, we commit to purchasing fuel efficient police cruisers, passenger vans and cargo vans when they become commercially available. Police and fire department administrative vehicles are NOT exempt and must meet fuel efficient requirements.

Inventory

The following information shall be included in a vehicle inventory list. Said list shall be updated on an annual basis and provided to the Green Communities Division:

- Model
- Make
- Model year
- Year/month purchased
- Drive system: 2WD, 4WD, or AWD
- >8500 pounds? (Y or N)
- Exempt or non-exempt
- MPG rating
- Vehicle function

NOTE: Departments and divisions may use EPA combined MPG estimates or actual combined MPG.

FUEL EFFICIENT VEHICLE REPLACEMENT PLAN

All non-exempt vehicles shall be replaced with fuel-efficient vehicles that adhere to the most recent Green Communities Criterion 4 Guidance. Vehicles shall be replaced when they are no longer operable and will not be recycled from one municipal department to another unless the recycled replacement vehicle meets the fuel efficiency ratings outlined in the Policy. In addition, when replacing exempt vehicles, the function of the vehicle will be reviewed for potential replacement with a more fuel-efficient vehicle, including a fuel efficient non-exempt vehicle.

The Town of Grafton will review the Vehicle Inventory annually, along with the Green Communities Criterion 4 Guidance, to plan for new acquisitions as part of planning for the new fiscal year budget.

QUESTIONS / ENFORCEMENT

All questions should be directed to the department or division responsible for fleet management and/or fleet procurement. This policy is enforced by the Town Administrator and/or his/her designee(s).

**COMMONWEALTH OF MASSACHUSETTS
TOWN OF GRAFTON
SPECIAL TOWN MEETING – MAY 8, 2017
WARRANT**

Worcester, ss:

To Any of the Constables of the Town of Grafton, in the County of Worcester

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are directed to notify and warn the inhabitants of the Town of Grafton, qualified to vote in elections and Town affairs, to meet in the Grafton High School Auditorium at the Grafton High School on Monday, the Eighth Day of May, 2017 at Seven O'clock PM (7:00PM) and act on the following articles, to wit:

ARTICLE 1. ADJUST FY17 BUDGET

To see if the Town will vote to transfer from available funds sums of money for the purpose of adjusting certain line items within the operating budget for FY17, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 2. BALANCE FY17 SNOW & ICE ACCOUNT

To see if the Town will vote to transfer a sum of money from free cash/stabilization/other various line items for the purposes of balancing the Snow & Ice Account, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 3. PROPANE FACILITY EVACUATION PLAN

To see if the Town will vote to raise and appropriate and/or transfer a sum of money for the purposes of funding the development of an evacuation plan to be used in the event of an emergency from the propane facility located on Westboro Road, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 4. AUTHORIZE PAYMENT OF PRIOR FISCAL YEAR BILLS

To see if the Town will vote to authorize payment of the following prior fiscal year bills from the Fiscal Year 2017 operating budget, or take any other action relative thereto.

\$3,197.06	App Geo
\$181.95	National Grid

Submitted by: Board of Selectmen

ARTICLE 5. ASSESSORS CAMA SYSTEM CONVERSION

To see if the Town will vote to transfer from the Assessors expense budget \$24,000 to fund the Assessors conversion from CAMA to Vision Systems, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 6. FUND FY17 UNEMPLOYMENT LIABILITY

To see if the Town will vote to transfer a sum of money from available funds for the purposes of funding the Town's FY17 Unemployment Liability, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 7. RESERVE FOR AFFORDABLE HOUSING

To see if the Town will vote to appropriate \$2,442 from the Community Preservation Undesignated Fund account for the purpose of correcting the CPA 10% set aside requirement, or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 8. OPEN SPACE RESERVE

To see if the Town will vote to appropriate \$2,442 from the Community Preservation Undesignated Fund account for the purpose of correcting the CPA 10% set aside requirement, or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 9. HISTORIC PRESERVATION RESERVE

To see if the Town will vote to appropriate \$2,442 from the Community Preservation Undesignated Fund account for the purpose of correcting the CPA 10% set aside requirement, or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 10. LIBRARY COLUMN RESTORATION

To see if the Town will vote to appropriate the sum of \$10,708 from the Community Preservation Historic Preservation Reserve account for the purpose of restoring the four exterior columns located at the entrance of the Grafton Public Library.

Submitted by: Community Preservation Committee

ARTICLE 11. LIONS CLUB CONCERT ON THE COMMON

To see if the Town will vote to transfer from Recreation Expenses \$10,000 to fund the Lions Club Concert on the Common, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 12. SALE OF REAL PROPERTY

To see if the Town will authorize the Board of Selectmen to sell real property located at 105 Rear Westboro Road for private development, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 13. WASTEWATER TREATMENT FACILITY UPGRADE

To see if the Town will vote to transfer the sum of \$690,402.74 from Sewer Retained Earning Account #25-440-145-3590 to fund the FY2018 Debt Service related to the Wastewater Treatment Facility Upgrade as voted in Article 15 of the October 20, 2014 Semi-Annual Town Meeting, or take any action relative thereto.

Submitted by: Board of Sewer Commissioners

ARTICLE 14. LEASE OF REAL PROPERTY

To see if the Town will authorize the Board of Selectmen to enter into a long-term written lease with the highest qualified bidder, with options to extend for a period not to exceed thirty (30) years, for the purpose of constructing a cell tower and associated equipment and materials on a portion of the property owned by the Town of Grafton located at 21 Follette Street (Book 8947, Page 246); the written lease to include terms, conditions and limitations as the Selectmen deem necessary and proper, or take any action relative thereto.

Submitted by: Town Administrator

ARTICLE 15. CITIZENS PEITION - PIPELINE RESOLUTION ADOPTION

To see if the Town will vote to adopt the following resolution:

WHEREAS, a high-pressure transmission gas pipeline currently called the West Boylston Lateral of the Access Northeast Pipeline, proposed by Spectra/Enbridge Energy Corporation (Algonquin Gas Company, subsidiary), would run through Grafton, Massachusetts; and

WHEREAS said pipeline is not needed because:

The Massachusetts Attorney General's Office, in their Regional Electric Reliability Options study of November 2015, concluded that no additional pipeline has capacity is needed to meet electric reliability needs and would be more costly and environmentally destructive than investment in energy conservation measures and renewable energy solutions-a conclusion re-confirmed by Synapse Energy Economics in February 2017; and,

WHEREAS, said unnecessary pipeline will negatively impact Grafton because:

- High pressure pipelines inherently carry the potential for leaks, rupture or devastating explosion, causing untold damage to property and lives as well as added risks and damage to the health, environment, and personal safety of those living near the evacuation corridor, adversely affecting property values and residents' livelihoods, and
- The hydraulic fracturing (fracking) process uses vast amounts of water and 60 toxic chemicals, contaminating water supplies where fracking is done and carrying the potential to contaminate the water supply where a pipeline is in close proximity to a town's water supply, thus posing an unacceptable threat to public health; and
- The cost of said pipeline may require Massachusetts citizens to pay a utility bill tariff, making electric or gas ratepayers bear the financial burden for the endeavors of a private corporation; and

WHEREAS, the town seeks to protect Hassanamessit, a town-owned, and Land Trust lands, in addition to approximately 100 residential, school and business properties that abut the pipeline or lie within the pipeline's evacuation zone

WHEREAS, said pipeline goes against current Massachusetts commitments to renewable energies and combating global climate change (Massachusetts Global Warming Solution sAct of 2008; Massachusetts Omnibus Energy Act of 2016) and our state's energy challenges are better addressed through investment in energy conservation and green and renewable energy solutions;

THEREFORE, BE IT RESOLVED that the people of Grafton join over 50 Massachusetts towns that have recorded their opposition to new gas pipelines and record their opposition by asking the Board of Selectmen to declare that they:

- Oppose any effort to locate the West Boylston Lateral within Grafton's borders;
- Apply for Intervenor Status during the three-week period after Spectra/Enbridge files its application with FERC, and provide comments to FERC on behalf of the town;

BE IT FURTHER RESOLVED, that the Town Clerk be directed to send a copy of this resolution to FERC, Spectra/Enbridge Energy, Algonquin Gas, the governor, the state attorney general, state and national representatives and senators.

Submitted by: Carol Sotiropolis

And you are directed to serve this Warrant by posting up an attested copy thereof in some conspicuous place in each of the precincts of the Town at least fourteen days before said meeting.

Hereof fail not and make due return of this Warrant, with your doings thereon to the Town Clerk, at the time and place of meeting as aforesaid.

Given under our hands this _____ day of April in the year of our Lord Two Thousand Seventeen.

BOARD OF SELECTMEN

TOWN OF GRAFTON

Jennifer Thomas, Chairman

Bruce Spinney III, Vice Chairman

Sargon Hanna, Clerk

Craig Dauphinais

Brook Padgett

A TRUE COPY,
ATTEST:

April ____, 2017

I have complied with the requirements of the above Warrant and with the Town of Grafton By-Laws by posting an attest copy of the Warrant in some conspicuous place in each of the precincts of the town on the above date.

Constable of Grafton

COMMONWEALTH OF MASSACHUSETTS

TOWN OF GRAFTON

ANNUAL TOWN MEETING/ELECTION

ANNUAL TOWN ELECTION WARRANT

Worcester, ss:

To Any of the Constables of the Town of Grafton, in the County of Worcester

GREETING:

In the name of the Commonwealth of Massachusetts, you are directed to notify and warn the Inhabitants of the Town of Grafton, qualified to vote in elections and Town affairs to meet in their respective precincts, 1, 2, and 3 at the Grafton Middle School Gymnasium, 22 Providence Road and precincts 4 and 5 at the Millbury Street Elementary School Gymnasium, 105 Millbury Street on Tuesday, the Sixteenth day of May, 2017 at Eight O'clock AM (8:00 AM) until Eight O'clock PM (8:00 PM) to cast their votes for the following Town Offices and ballot questions:

Two Members of the Board of Selectmen for a term of three years; One Member of the School Committee for a term of three years; One Member of the Planning Board for a term of three years; One Member of the Planning Board for a term of two years (to fill a vacancy); Two Members of the Board of Library Trustees for a term of three years; and One Moderator for a term of three years.

QUESTION 1

Shall the Town of Grafton be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds to be issued in order to fund the construction, renovation and expansion of the Grafton Public Library, to fund demolition, landscaping, paving, utility and other site improvement incidental or directly related to such construction, renovation and expansion, to fund necessary architectural, engineering or other professional and legal expenses and fees associated with this project, to fund temporary library operational space, storage and moving expenses, to fund furnishings and equipment and to fund the payment of all other costs incidental or related thereto?

YES

NO

QUESTION 2

Shall the Town of Grafton be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds to be issued in order to fund the

pre-construction, constructing, equipping and furnishing of a new DPW Facility to be located at 48 Old Westboro Road, including the payment of all other costs incidental or related thereto?

YES

NO

ANNUAL TOWN MEETING WARRANT

And you are further directed to notify and warn said inhabitants qualified to vote in Town affairs, to meet in the Grafton High School Auditorium at the Grafton High School on Monday, the Eighth Day of May AD, 2017 at Seven Thirty O'clock PM (7:30 PM) and to act on the following articles, to wit:

(If a second night is required, Town Meeting will reconvene on Wednesday, May 10, 2017 at 7:30PM at the Grafton Middle School located at 22 Providence Road)

ARTICLE 1. HEAR REPORTS OF OFFICES, BOARDS AND COMMITTEES

To hear the reports of the several Town Officers, Boards and Committees, or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 2. APPOINT TRUSTEE OF NELSON PARK AND MEMORIAL

To see if the Town will vote to appoint a Trustee of the Nelson Park and Memorial Library and Building Fund for a term of three years, or to take any other action relative thereto.

Submitted by: Nelson Park and Memorial Trustees

ARTICLE 3. TOWN'S SHARE OF NET OPERATING COSTS – BLACKSTONE VALLEY VOCATIONAL REGIONAL SCHOOL DISTRICT

To see if the Town will vote to raise and appropriate \$808,968, or any other amount, for the purpose of paying the Town's share of the net operating costs of the Blackstone Valley Vocational Regional School District (the "District") for the Fiscal Year commencing July 1, 2017, or take any other action relative thereto.

Submitted by: Blackstone Valley Vocational Regional School District Committee

ARTICLE 4. BLACKSTONE VALLEY VOCATIONAL SCHOOL – PRINCIPAL AND INTEREST

To see if the Town will vote to raise and appropriate \$53,401, or any other amount, to fund the principal and interest costs for FY18 to be incurred by the Blackstone Valley Vocational Regional School District for its capital expansion project, or take any other action relative thereto.

Submitted by: Blackstone Valley Vocational Regional
School District Committee

ARTICLE 5. FY18 BUDGETS

To see if the Town will vote to raise and appropriate and/or transfer from available funds in the Treasury the sum of money to fund the recommended budget by the Town Administrator as shown in the Finance Committee's printed report for the several Town Departments for the Fiscal Year beginning July 1, 2017, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 6. FUND FY18 CAPITAL EXPENDITURE BUDGET

To see if the Town will vote to appropriate from Free Cash \$856,194, and transfer \$74,006 from available sources, for the purposes of funding the FY18 Capital Expenditure Budget, said sum to be spent under the direction of the Board of Selectmen and Town Administrator, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 7. TRANSPORTATION BOND BILL

To see if the Town will vote to appropriate as an available source a sum of money for State-Aid Highway purposes as requested by the Board of Selectmen to be reimbursed from the Commonwealth under the provisions of the Transportation Bond Bill, so-called, and amendments thereto for construction, reconstruction and improvements, including surface treatments and other work incidental to the above, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 8. AUTHORIZE BOARD TO ACCEPT & ENTER INTO CONTRACTS

To see if the Town will vote to authorize the Board of Selectmen to accept and enter into contracts for the expenditure of any funds allotted by the Commonwealth of Massachusetts for construction, reconstruction, or improvements to public roads, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 9. AMEND TOWN CHARTER

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts for a special act amending the Charter of the Town of Grafton by approving the capitalization of various words throughout the Charter, all as shown on a draft of the Charter dated January 12, 2017, a copy of which is on file in the Office of the Town Clerk; or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 10. AMEND TOWN CHARTER

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts for a special act amending the Charter of the Town of Grafton as follows:

- 1) amending Section 2-3(b) Finance Committee by deleting the current Section 2-3(b) Finance Committee in its entirety and adding a new Section 2-3(b) Finance Committee to read as follows:

Finance Committee - There shall be a Finance Committee, the members of which shall be appointed by the Moderator. The number of members, the term of office and any other conditions of appointment or service as may be deemed necessary or desirable shall be established by by-law. The subject matter of all proposals to be submitted to a Town Meeting by warrant articles shall be referred to the Finance Committee by the Board of Selectmen at the earliest practicable time following the closing of the Warrant by the Board of Selectmen. The Finance Committee shall report its recommendations on every article contained in a town meeting warrant, in writing, together with a brief statement of the reasons for each such recommendation. Before preparing its recommendations the Finance Committee shall hold one or more public hearings to permit public discussion of the subject matter of all articles contained in the Warrant.

- 2) amending Section 2 by adding a new Section 2-6 Town Election to read as follows:

Town Election - The Annual Election for the election of Town Officers and for the determination of all other matters to be referred to the voters shall be held in May, or on a date fixed by by-law.

and renumbering the remaining sections of Section 2 to reflect the insertion of a new Section 2-6.

- 3) amending Section 3-1 by deleting the current Section 3-1(a) Elective offices in its entirety and adding a new Section 3-1(a) Elective Offices to read as follows:

Elective offices - The Town offices to be filled by ballot of the whole town shall be a Board of Selectmen, a School Committee, a Board of Library Trustees, and a Town Moderator. In addition, members of a Housing Authority, and such members of regional authorities or districts as may be established by statute, inter-local agreement or otherwise shall also be elected at Town elections.

- 4) amending Section 3-1 by deleting Section 3-1(f)(1) Town Officer in its entirety and renumbering the remaining Sections of Section 3-1(f) to reflect this deletion.

- 5) amending Section 3-2 by deleting Section 3-2(d) Appointment in its entirety and adding a new Section 3-2(d) Appointment to read as follows:

Appointment - The Board of Selectmen shall appoint a Town Administrator, Town Clerk, the members of the Planning Board, Constables, the members of the Board of Appeals, the Registrars of Voters and other election officers, the Conservation Commission, the Industrial Development Finance Authority, other members of multiple members bodies the functions of which do not involve direct operating responsibilities, but, are primarily policy making or advisory

in nature, and individuals who are to serve as representatives or delegates of the town to the governing or advisory boards of regional or district authorities.

6) amending Section 3-4 by deleting Section 3-4 School Committee in its entirety and adding a new Section 3-4 to read as follows:

SECTION 3-4: SCHOOL COMMITTEE

(a) Composition, Term of Office - There shall be a School Committee consisting of five members elected for terms of three years each, so arranged that the term of office of as nearly an equal number of members as is possible shall expire each year.

(b) Powers and Duties - The School Committee shall have all of the powers and duties school committees may have under the Constitution and general laws of the Commonwealth.

7) amending Section 5-6: BOARD OF SEWER COMMISSIONERS by deleting the current Section 5-6(a) Composition, Term of Office in its entirety and adding a new Section 5-6(a) Composition, Term of Office to read as follows:

Composition, Term of Office - There shall be a Board of Sewer Commissioners made up of three (3) members appointed by the Town Administrator for terms of three years each, so arranged that the term of office of one member shall expire each year.

8) amending Section 7-5: DEFINITIONS by adding the words "and the Town's website" to the end of Section 7-5(f) Local Newspaper.

9) amending Section 7-9: PROCEDURES GOVERNING MULTIPLE MEMBER BODIES by -changing the words "twenty-four" to the words "forty-eight" in the first sentence of Section 7-9(b) Agendas.

10) amending Article 8 – TRANSITIONAL PROVISIONS by deleting Section 8-5: Time Taking Effect in its entirety and replacing it with a Section 8-5, entitled "Town Administrative Organization" to read as follows:

SECTION 8-5: Town Administrative Organization

(a) The Board of Selectmen shall appoint:

- A Town Administrator to serve for an indefinite term;
- A Town Clerk for a term of three years;
- A Planning Board to consist of five members appointed for terms of three years each;
- A Board of Health to consist of five members appointed for terms of three years each;
- A Conservation Commission to consist of five members appointed for terms of three years each;
- A Board of Registrars of voters in the manner provided by general law;
- A Board of Appeals to consist of five regular members, appointed for terms of three years each, and two associate members, appointed for terms of three years each;
- A Council on Aging, as provided by by-law;
- A Development and Industrial Commission, as provided by by-law;
- A Industrial Development Financing Authority in the manner provided by general law;

- A Cable Television Oversight Committee;
- A Cemetery Commission;
- Constables;
- An Emergency Management Director and related Emergency Management Personnel.
- An Arts Lottery Council;
- A Grafton Historical Commission;
- The McNamara Memorial Committee
- The Municipal Center Renovations Committee;
- A Board of Trustees of Soldier's Memorials;

(b) The town administrator shall appoint:

- A Director of Public Works (if any) and all other employees of a Department of Public Works;
- A Police Chief and other police officers to serve for indefinite terms;
- A Board of Fire Engineers, a Fire Chief, forest wardens and other firefighters, to serve for indefinite terms;
- A Board of Assessors to consist of a Principal Assessor, who shall serve full time and two associate assessors, who shall serve part time; the term of all members shall be for three years;
- A Board of Sewer Commissioners to consist of three members, appointed for terms of three years each;
- A Town Collector/ Treasurer to serve for a term of three years;
- A Town Accountant to serve for the term of three years;
- An Inspector of Buildings to serve for an indefinite term;
- A Wire Inspector to serve for an indefinite term;
- An Inspector of Gas Appliances and Gas Fittings to serve for an indefinite term;
- A Plumbing Inspector to serve for an indefinite term;
- An Animal Control Officer to serve for an indefinite term;
- A Sealer of Weights and Measures in accordance with the civil service law and rules;
- A Recreation Commission;
- A Parking Clerk;
- A Town Counsel;
- A Town Engineer;
- A Town Forest Committee;
- A Traffic Safety Committee;
- A Veteran's Services Director, Veteran's Agent, Veteran's Graves Officer and Burial Agent;
- A Health Agent, and other personnel of a Department of Public Health.

(c) All town officers and all members of all boards, commissions and committees who have here to before been elected and who will henceforth be appointed under the provisions of this charter, shall serve for the balance of the term for which they were elected, (subject to their retirement or resignation) but their successors shall be appointed.

or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 11: AMEND TOWN CHARTER

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts for a special act amending the Charter of the Town of Grafton as follows:

amending Article 3 – ELECTED OFFICIALS, by deleting Section 3-5: TOWN CLERK in its entirety and adding a new Section 5-7: TOWN CLERK to Article 5 – ADMINISTRATIVE ORGANIZATION to read as follows:

SECTION 5-7: TOWN CLERK

(a) Term of Office - There shall be a Town Clerk appointed by the Board of Selectmen for a term of three years. The Town Clerk shall be a person especially fitted by education, training, or previous experience to perform the duties of the office. The Town Clerk must have a working knowledge of Mass General Laws, be proficient in the State voter registration system and State vitals registration system, must know the election laws and how to conduct elections legally, and must have the ability to establish and maintain effective and harmonious working relationships with Town Officials and Departments, State Agencies and the general public.

(b) Powers and Duties - The Town Clerk shall be the keeper of vital statistics for the Town; the custodian of the Town seal; shall administer the oath of office to all persons, elected or appointed to any town office; shall issue such licenses and permits as are required by law to be issued by Town Clerks; supervise and manage the conduct of all elections and all other matters relating to elections be the Clerk of the Town Meeting, keep its records and in the absence of the Town Moderator or Deputy Town Moderator to preside pending the election of a temporary Town Moderator. The Town Clerk shall have such other powers and duties as are given to Town Clerks by general law, by this Charter, by by-law or by other vote of the Town Meeting.

and renumbering the remaining sections of Article 3 to reflect the deletion of Section 3-5, or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 12. AMEND TOWN CHARTER

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts for a special act amending the Charter of the Town of Grafton as follows:

amending Article 3 – ELECTED OFFICIALS, by deleting Section 3-6: PLANNING BOARD in its entirety and adding a new Section 5-8: PLANNING BOARD to Article 5 – ADMINISTRATIVE ORGANIZATION to read as follows:

SECTION 5-8: PLANNING BOARD

(a) Composition Term of Office – There shall be a Planning Board consisting of five members appointed by the Board of Selectmen for terms of three years each, so arranged that the term of office of as nearly an equal number of members as is possible shall expire each year.

(b) **Powers and Duties** – The Planning Board shall make careful studies of the resources, possibilities and needs of the Town and shall make plans for the development of the Town. The Board shall have the power to make a comprehensive or master plan, setting forth in graphic and textual form policies to govern the future growth and development of the Town. The Board shall have the power to regulate the subdivision of land within the Town by the adoption of rules and regulations. The Planning Board shall make recommendations to the Town Meeting on all proposed warrant articles which affect land use and development, including but not limited to proposals to amend the Zoning By-law and Zoning Map. The Planning Board shall make an annual report, giving information regarding the condition of the Town and any plans or proposal for its development and estimates of their costs. The Planning Board shall have all of the other powers and duties which are given to Planning Boards by General Law, by this Charter, or By-law or by other Town Meeting vote.

and renumbering the remaining sections of Article 3 to reflect the deletion of Section 3-6, or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 13. AMEND TOWN CHARTER

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts for a special act amending the Charter of the Town of Grafton as follows:

1) amending Article 4 – TOWN ADMINISTRATOR, by deleting the first sentence of Section 4-1: APPOINTMENT; QUALIFICATION; TERM in its entirety and adding a new first sentence to Section 4-1: APPOINTMENT; QUALIFICATION; TERM to read as follows:

The Board of Selectmen shall appoint a Town Administrator from a list prepared by a Screening Committee as outlined in Section 4-6.

2) amending Article 4 – TOWN ADMINISTRATOR, by adding a Section 4-6: SCREENING COMMITTEE to read as follows:

The Screening Committee shall consist of nine persons who shall be chosen as follows: the Board of Selectmen, the School Committee, the Planning Board and the Board of Library Trustees shall each designate one person, the Finance Committee shall designate two persons and three persons shall be chosen by the Town Moderator. Persons chosen by the said agencies may, but need not, be members of the agency by which they are designated: appointments made by the Town Moderator shall be made last in time in order that in making appointments the Moderator may, insofar as it may be feasible so to do, appoint persons who will broaden the membership base of the Committee to be most representative of the demographic and occupational base of the Town.

The Screening Committee shall review all applications received by it, screen all such applicants by checking and verifying work records and other credentials, and provide for interviews to be conducted with such number of candidates as it deems to be necessary, desirable or expedient. Not more than one hundred and fifty days following the date on which the Committee meets the to organize, the Committee shall submit to the Board of Selectmen the names of not less than three nor more than five persons whom it believes to be best suited to perform the duties of the Office of Town Administrator.

Within forty-five days following the date the list of nominees is submitted to it, the Board of Selectmen shall choose one of the said nominees to serve as Town Administrator. In the event the board of selectmen shall fail to make an appointment within the said forty-five days, the Screening Committee shall, forthwith, appoint the town administrator. Upon the appointment of a Town Administrator the Committee established hereunder shall be considered discharged.

The Town Administrator shall, in addition to the qualifications as stated in 4-1, have the following specific qualifications; a Master's degree in public administration or related field from an accredited college or university is preferred and any combination of education and experience with 2-5 years demonstrated progressive responsibilities in Municipal Government.

or to take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 14. SPECIAL ELECTION AND BALLOT FOR CHARTER AMENDMENT

To see if the Town will vote to raise and appropriate and/or transfer from available funds, a sum of money to be held for the purpose of funding the special election and ballot to consider changes to the Town Charter, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 15. REAUTHORIZE REVOLVING ACCOUNTS

To see if the Town will vote to reauthorize revolving accounts detailed below, defined by Massachusetts General Laws Chapter 44, Section 53 E ½ for Fiscal Year 2018, or take any other action relative thereto.

Submitted by: Town Administrator

Board/Department/Officer authorized to expend:	Revenue Source	Funds may be expended only for:	Spending Limit
Town Administrator	Rent and Utilities	One Grafton Common maintenance	\$200,000
School Department	State and Federal Grants	Staff Development Workshops	\$10,000
School Department	Tuition Payments	Early Childhood Programs	\$200,000
School Department	Out of district fees	Out of district transportation	\$50,000
School Department	Sale of Surplus	Education Tablets & Laptops	\$50,000
Council on Aging	Ridership fees	Elder Bus Transportation	\$35,000
Conservation Commission	Filing Fees	Expenses related to duties	\$25,000
Fire Department	Inspection Fees	Fire Sprinkler System Review	\$10,000
Board of Health	Medicare Part 855B	Vaccine Administration	\$10,000

South Grafton Community House	Rental fees	Maintenance and upkeep	\$20,000
Library	Lost Book fees	Replacement of materials	\$5,000
Council on Aging	Program Fees	Program Funding	\$35,000
Conservation Commission	Storm Water Bylaw	Expenses for Administration	\$10,000
BOS/TA	Cable Related Revenue	To support PEG Access Services	\$500,000
Library	User fees	Replenishing materials	\$10,000

ARTICLE 16. PUBLIC LIBRARY APPROPRIATION FROM DEBT EXCLUSION

To see if the Town will vote to raise and appropriate \$16,597,997.00 to fund the construction, renovation and expansion of the Grafton Public Library, to fund demolition, landscaping, paving, utility and other site improvement incidental or directly related to such construction, renovation and expansion, to fund necessary architectural, engineering or other professional and legal expenses and fees associated with this project, to fund temporary library operational space, storage and moving expenses, to fund furnishings and equipment and to fund the payment of all other costs incidental or related thereto; to authorize the town to apply for and accept any grants or loans available for the project, including the Massachusetts Board of Library Commissioners grant; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is hereby authorized to borrow the sum of \$16,597,997 by issuance and sale of bonds or notes of the Town in accordance with General Laws Chapter 44, Section 7 (1) as amended, said sum to be expended under the direction of the Grafton Public Library Planning & Building Committee established under Article 6 of the October 17, 2011 Town Meeting which is authorized to take any action necessary to carry out this vote, provided, however, that the amount of the authorized borrowing shall be reduced by the amount of any grants received for the project prior to the issuance of bonds or notes under this vote; and provided further, that this vote shall not take effect until the town votes to exempt from the limitation on total taxes imposed under General Laws, Chapter 59, Section 21C (Proposition 2 ½) the amounts required to pay the principal of and interest on the borrowing authorized by this vote, or to take any other action relative thereto.

Submitted by: Library Planning & Building Committee

ARTICLE 17. PRELIMINARY DESIGN FOR GRAFTON PUBLIC LIBRARY EXPANSION

To see if the Town will vote to accept the preliminary design for the Grafton Public Library building as prepared by Drummey, Rosane Anderson (DRA) for purposes of the Massachusetts Public Library Construction Program (MPLCP) grant application.

Submitted by: Library Planning & Building Committee

ARTICLE 18. DPW FACILITY APPROPRIATION FROM DEBT EXCLUSION

To see if the Town will vote to appropriate and/or transfer from available funds a sum of money not to exceed \$13,895,000 for pre-construction, constructing, equipping and furnishing a new DPW Facility to be located at 48 Old Westboro Road, including the payment of all other costs incidental or related thereto, said sum to be expended under the direction of the DPW Facility Building Committee, and to meet said appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow said sum under General Laws Chapter 44, Section 7(1) as amended or any other enabling authority; provided that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2 ½), or to take any other action relative thereto.

Submitted by: DPW Building Committee

ARTICLE 19. WASTEWATER TREATMENT FACILITY UPGRADE

To see if the Town will vote to appropriate \$3,000,000 for the design, engineering, and construction associated with the upgrades to the Arcadia Street and Worcester Street sewer pump stations and to meet this appropriation the Treasurer with the approval of the Selectmen, is authorized to borrow an amount not to exceed \$3,000,000 and issue bonds or notes therefore under either the provisions of MGL Chapter 44B of the General Laws or Chapter 29C of the General Laws, as most recently amended by St. 1998. C78.

Submitted by: Board of Sewer Commissioners

ARTICLE 20. SPECIAL EDUCATION STABILIZATION FUND

To see if the Town will vote to establish a Special Education Stabilization Fund for the purpose of reserving funds to pay expenses related to special education, as authorized by Chapter 40, Sec. 5B of the General Laws or take any other action relative thereto.

Submitted by: School Committee

ARTICLE 21. TRANSFER OF FUNDS TO SPECIAL EDUCATION STABILIZATION FUND

To see if the Town will vote to transfer a sum of \$100,000 from Free Cash to the Special Education Stabilization Fund, or take any other action relative thereto.

Submitted by: School Committee

ARTICLE 22. LAKE QUINSIGAMOND COMMISSION

To see if the Town will vote to raise and appropriate and/or transfer from available funds in the sum of \$35,000 for the purposes of the Lake Quinsigamond Commission to manage an escalating invasive plant population, to provide for public education and awareness of the safe use of Lake

Quinsigamond, Flint, Flagg and Hovey Ponds, as well as, the Quinsigamond River, or take any other action relative thereto.

Submitted by: Lake Quinsigamond Commission

ARTICLE 23. FIRE DEPARTMENT INSURANCE SUPPLEMENT

To see if the Town will vote to raise and appropriate one thousand dollars (\$1,000.00), for the purposes of funding the Fire Department Insurance Supplement established under Article 15 of the March 16, 1987, Special Town Meeting, which is used for the purposes of paying not more than 75.00% of a firefighter's gross pay in case of injury while on duty as specified in Article 15 of the March 16, 1987, Special Town Meeting, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 24. AUTHORIZE TREASURER/COLLECTOR TO BORROW MONEY

To see if the Town will vote to authorize the Treasurer/Collector, with the approval of the Board of Selectmen, to borrow money from time to time in anticipation of the revenue of the fiscal year beginning July 1, 2017, in accordance with the provisions of the Massachusetts General Laws, Chapter 44, Section 4, and amendments thereto, and to issue a note or notes as may be given for a period of less than one year in accordance with Massachusetts General Laws, Chapter 44, Section 17, and amendments thereto, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 25. UNEMPLOYMENT COMPENSATION

To see if the Town will vote to raise and appropriate \$45,000, said sum to be added to the Unemployment Compensation Account, for the purposes of paying Unemployment Compensation expenses of the Town, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 26. FUNDING FOR TRANSPORTATION SERVICES FROM WRTA

To see if the Town will vote to authorize the Board of Selectmen to request funding of transportation services from the WRTA, and to contract for and provide elderly bus services for the Town of Grafton for the period of July 1, 2017, through June 30, 2018, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 27. CITY/TOWN CLERK COMPENSATION AS MEMBER OF BOARD OF REGISTRARS OF VOTERS

To see if the Town will accept the provisions of MGL Chapter 41, Section 19J which "allows the Town to compensate a clerk of a city or town who also serves as a member of its board of

registrars of voters, in addition to any compensation to which such clerk is entitled as a city or town clerk, a sum not less than fifty dollars but not to exceed one hundred dollars, and, if the number of registered voters exceeds one thousand, an additional sum not less than fifty dollars but not to exceed one hundred dollars for each additional thousand of registered voters or major fraction thereof; provided, however, that the total payment for such service as a member of said board shall not exceed four thousand dollars in any year," or take any other action relative thereto.

Submitted by: Town Clerk

ARTICLE 28. SALE OF SURPLUS PROPERTY

To see if the Town will vote to authorize the Board of Selectmen, pursuant to Article 4, Section 9, of the Town By-Laws, to sell certain items under such terms and conditions as it deems appropriate, or take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 29. PURCHASE LAND AT 46 & 48 WORCESTER STREET

To see if the Town will vote to authorize the Town to purchase property located at 46 & 48 Worcester Street, to be used and developed at the direction of the Board of Selectmen, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 30. CPC - OPERATING BUDGET

To see if the Town will vote to authorize the use a sum of \$10,000 in the fiscal year 2018 Community Preservation revenues, for the purpose of funding the operating budget of the Community Preservation Committee (CPC), or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 31. CPC - PELL FARM BOND PAYMENT

To see if the Town will vote to appropriate \$87,225 from the fiscal year 2018 Community Preservation revenues for the purpose of making the interest and principle payment on the \$1.2 million bond issued for the purchase of the Pell Farm property, or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 32. CPC - GRAFTON TOWN HOUSE BOND PAYMENT

To see if the Town will vote to appropriate \$74,250 from the fiscal year 2018 Community Preservation revenues, for the purpose of making the interest and principle payment on the \$1.1 million bond issued for the renovation of the Grafton Town House, or take any other action relative thereto.

Submitted by: Community Preservation Committee

ARTICLE 33. SICK AND VACATION BUYBACK

To see if the Town will vote to raise and appropriate and/or transfer a sum of money from Free Cash, to fund the accumulated sick and vacation leave buyback for retiring employees pursuant to the Town By-Laws and/or collective bargaining agreements, or to take any other action relative thereto.

Submitted by: Town Administrator

ARTICLE 34. FIRE HYDRANTS– GRAFTON WATER DISTRICT

To see if the Town will vote to accept the following hydrants from the Grafton Water District, or take any other action relative thereto.

- #516 through #524 Magnolia Lane (9 hydrants)
- #526 Avalon Way
- #527 Avalon Way
- #673 Harris Road
- #675 Pleasant Street

Submitted by: Town Administrator

ARTICLE 35. AMEND GRAFTON WETLANDS PROTECTION BYLAW SECTIONS 4 & 5

To see if the Town will vote to amend Sections 4 and 5 of the Grafton Wetlands Protection Bylaw to reflect the form name "Request for Determination of Applicability (RDA)" in place of the previous name "Request for Determination (RFD)"

or take any other action relative thereto.

Submitted by: Conservation Commission

ARTICLE 36. AMEND GRAFTON WETLANDS PROTECTION BYLAW SECTION 5B

To see if the Town will vote to add the following underlined language to Section 5b: Applications for Permit and Hearings, of the Grafton Wetlands Protection Bylaw:

"Any person filing an application herein referred to with the Commission at the same time shall give written notice thereof, by certified mail (return receipt requested), certificate of mailing or hand delivery, to all abutters at their mailing addresses shown on the most recent applicable tax list of the Assessors, including owners of land directly opposite on any public or private street or way, and abutters to the abutters within 300 feet of the property line of the applicant, including any in another municipality or across a body of water."

or take any other action relative thereto.

ARTICLE 37. AMEND GRAFTON WETLANDS PROTECTION BYLAW SECTION 6

To see if the Town will vote to amend Section 6 of the Grafton Wetlands Protection Bylaw as follows: (new language underlined, deletions in strike-through)

~~"Any person filing a permit application or a request for determination with the Commission shall provide a copy thereof at the same time, by certified mail (return receipt requested) or hand delivery, to the Board of Selectmen, Planning Board, Board of Health, Town Engineer, Inspector of Buildings, Board of Water Commissioners, and State Department of Environmental Quality Engineering. An affidavit of the person providing such notice, with a copy of the notice mailed or delivered, shall be filed with the Commission. The Commission shall not take final action until such boards and officials have had 20 days from receipt of notice to file written comments and recommendations with the Commission, which the Commission shall take into account but which shall not be binding on the Commission. The applicant shall have the right to receive any such comments and recommendations, and to respond to them at a hearing of the Commission, prior to final action. Permit applications for new construction, to include wells and septic systems where applicable, shall show the entire lot and all wetland resources delineated within 100 feet of proposed construction, and lot boundaries. Permit applications not including this information shall be returned as "incomplete."~~

"Following receipt of a completed application, the Commission shall execute the interdepartmental review process set forth in the regulations. The Commission shall not make a decision on the Wetlands Protection Bylaw Permit until it has received comments from the interdepartmental review process or until 20 days have elapsed after receipt of the application materials without submission of comments thereon."

or take any other action relative thereto.

Submitted by: Conservation Commission

ARTICLE 38. AMEND GRAFTON STORMWATER MANAGEMENT BYLAW SECTION 6

To see if the Town will vote to amend Section 6: Coordination with other Boards, of the Grafton Stormwater Management Bylaw as follows: (new language underlined and deletions in strike-through)

~~"Coordination with other Boards. Following receipt of a completed application, the Commission shall seek review and comments from the Planning Board, Board of Health, Building Inspector, and Department of Public Works. The Commission shall not make a decision on the Stormwater Management Permit until it has received comments from these entities or until 14 days have elapsed after receipt of the application materials without submission of comments thereon."~~

"Interdepartmental Review: Following receipt of a completed application, the Commission shall execute the interdepartmental review process set forth in the regulations. The Commission shall not make a decision on the Stormwater Management Bylaw Permit until it has received comments from the interdepartmental review process or until 20 days have elapsed after receipt of the application materials without submission of comments thereon."

or take any other action relative thereto.

Submitted by: Conservation Commission

ARTICLE 39. AMEND STORMWATER MANAGEMENT BYLAW SECTION 7B

To see if the Town will vote to add the following underlined language to Section 7b: Public Hearing, of the Grafton Stormwater Management Bylaw:

"The Commission shall hold a public hearing within 30 days of the receipt of a complete application, with written notice given at the expense of the applicant five days prior to the hearing. The applicant shall also notify abutters by certified mail (return receipt requested), certificate of mailing, or hand delivery at least five days prior to the hearing. The Commission shall make the application available for inspection by the public during business hours at the Town Hall. The Commission shall take final action within 21 days from the time of the close of the hearing unless such time is extended by agreement between the applicant and the Commission."

or take any other action relative thereto.

Submitted by: Conservation Commission

ARTICLE 40. AMEND ZONING BYLAWS

To see if the Town will vote to amend the Zoning By-Laws by adding the following:

1. ZBL Section 10 entitled Fisherville Mill Smart Growth Overlay District, Subsection 10.6.A entitled "Permitted Uses" as follows (~~Strikethrough~~ for delete and **bold** for insert):

10.6.A Permitted Uses. The following uses are permitted as of right in the FSGOD, **provided that such uses permitted pursuant to Section 10 would not authorize development that, when the development potential of the remainder of the district is calculated, would preclude the district as a whole from accommodating at least 201 residential units, taking into account those eligible units completed or under construction and any remaining units allowed to be built, under the FSGOD regulations:**

Or take any other action relative thereto.

Submitted by: Planning Board

ARTICLE 41. AMEND ZONING BYLAW BY AMENDING ZONING MAP

To see if the Town will vote to amend the Town's Zoning Bylaw by amending the Town of Grafton Zoning Map and Section 11.1 and 11.3.1 of the Chapter 43D Priority Development Site Overlay District as follows:

1. ZBL Section 3.1.2 – Zoning Map: To amend the map entitled "Town of Grafton – Zoning Map" to expand the Office Light Industrial District, Campus Overlay District, and Chapter 43D Priority Development Overlay District to include the area as shown on the map entitled "Proposed Route 30/Institute Road Zoning Map Amendments" dated February 9, 2017 prepared By AppGeo and as shown as Parcel B on the Plan entitled "Plan of Land in the Town of Grafton (Worcester County) Massachusetts" prepared for The Division of Capital

Asset Management and Maintenance dated June 21, 2016 and on file with the Town Clerk's Office.

2. ZBL Section 11.1 and 11.3.1 – Chapter 43D Priority Development Site Overlay District: Amend to read (~~strike through~~ for delete and **bold** for new)

11.1 Purpose

It is the purpose of this Section to further expedite permitting for Priority Development Sites, as adopted by Town Meeting pursuant to G.L. c. 43D, and presently identified ~~as land situated at 150 Westborough Road (Assessor's Map 13, Parcel 100), and 105 Westboro Road (Assessor's Parcel 12, Lot 15), and CenTech Park Lot 3 (Map 5, Lot 1E), and CenTech Park Lot 7 (Map 5, Lot 1H)~~ **on the Town of Grafton Zoning Map**; and to provide appropriate systems for any proposed changes to a plan or facilities after the issuance of a special permit and/or site plan review and approval by the Planning Board when required by this Zoning By-Law or after the issuance of any other permit granted by an appropriate municipal agency. Other objectives of this Section are to...

11.3.1 Establishment. The Chapter 43D Priority Development Site Overlay District, hereinafter referred to as the PDSOD, is an overlay district identified ~~as land situated at 150 Westborough Road (Assessor's Map 13, Parcel 100), and 105 Westboro Road (Assessor's Map 12, Parcel 15), and CenTech Park Lot 3 (Map 5, Lot 1E), and CenTech Park Lot 7 (Map 5, Lot 1H)~~ **on the Town of Grafton Zoning Map**, that is superimposed over the applicable underlying and other overlying zoning districts...

Or take any other action relative thereto.

Submitted by: Planning Board

ARTICLE 42. AMEND ZONING BYLAW BY ADDING A NEW SECTION

To see if the town will vote to add a new section entitled: "TEMPORARY MORATORIUM ON RECREATIONAL MARIJUANA ESTABLISHMENTS"

1. **ZBL Section 5, Special Regulations, insert the following new subsection 5.10 entitled Temporary Moratorium on Recreational Marijuana Establishments as follows:**

Section 5.11 Temporary Moratorium on Recreational Marijuana Establishments

5.11.1 Purpose

On November 8, 2016, the voters of the Commonwealth approved a law regulating the cultivation, processing, distribution, possession and use of marijuana for recreational purposes (new M.G.L. c. 94G, Regulation of the Use and Distribution of Marijuana Not Medically Prescribed). The law, which allows certain personal use and possession of marijuana, took effect on December 15, 2016 and (as amended on December 30, 2016; Chapter 351 of the Acts of 2016) requires a Cannabis Control Commission to issue initial regulations regarding the licensing of commercial activities by March 15, 2018, to begin accepting applications for licenses on April 1, 2018, and to adopt final regulations by July 1, 2018.

Currently under the Zoning Bylaw, a non-medical Marijuana Establishment hereinafter, a recreational "Marijuana Establishment," as defined in M.G.L. c. 94G; is not specifically addressed in the Zoning Bylaw. Regulations to be promulgated by the Cannabis Control Commission may provide guidance on certain aspects of local regulation of recreational Marijuana Establishments. The regulation of recreational marijuana raises novel legal, planning, and public safety issues, and the Town needs time to study and consider the regulation of recreational Marijuana Establishments and address such issues, consider any vagueness and ambiguity within the law, as well as to address the potential impact of the State regulations on local zoning and to undertake a planning process to consider amending the Zoning Bylaw regarding regulation of recreational Marijuana Establishments. Predicated on the dates established in the M.G.L. c. 94G approved by the voters on November 8, 2016 and as Amended on December 30, 2016 (Chapter 351 of the Acts of 2016), the Town intends to adopt a temporary moratorium on the use of land and structures in the Town for recreational Marijuana Establishments so as to allow sufficient time to address the effects of such structures and uses in the Town and to enact bylaws in a consistent manner.

5.11.2 Definition

Marijuana Establishment as defined by M.G.L. c. 94G.

5.11.3 Temporary Moratorium

For the reasons set forth above and notwithstanding any other provision of the Zoning Bylaw to the contrary, the Town hereby adopts a temporary moratorium on the use of land or structures for a recreational Marijuana Establishment and other uses related to recreational marijuana. The moratorium shall be in effect through November 30, 2018 or until such time as the Town adopts Zoning Bylaw amendments that regulate recreational Marijuana Establishments, whichever occurs earlier. During moratorium period, the Town shall undertake a planning process to address the potential impacts of recreational marijuana in the Town, and to consider the Cannabis Control Commission regulations regarding recreational Marijuana Establishments, which are to be finalized by July 1, 2018, and shall consider adopting new Zoning Bylaws in response to these new issues on or before the regularly scheduled 2018 Fall Annual Town Meeting.

Or take any action relative thereto.

Submitted by: Planning Board

ARTICLE 43. ADOPT STRETCH CODE BYLAW

To see if the Town will vote to enact Chapter 39 of the Town of Grafton General Bylaws, entitled "Stretch Energy Code" for the purpose of regulating the design and construction of buildings for the effective use of energy, pursuant to Appendix 115.AA of the Massachusetts Building Code, 780 CMR, the Stretch Energy Code, including future editions, amendments, or modifications thereto, with an effective date of July 1, 2017, a copy of which is on file with the Town Clerk, or take any other action relative thereto.

Submitted by: Board of Selectmen

ARTICLE 44. CITIZENS PETITION – PLASTIC BAG BYLAW

To see if the Town will vote to amend the General Bylaws by adopting a bylaw entitled “Plastic Bag Reduction” as follows:

Section 1. – Definitions

SINGLE-USE CARRYOUT BAG

A single-use carryout bag is made of plastic, paper or other material that is provided to a customer by an establishment and is used to transport merchandise from the establishment. Single-use carryout bags do not include recycled paper bags or a re-usable grocery bag. Single-use carryout bags do not include bags typically without handles used to contain dry cleaning, newspapers, small bags to contain fish, meats, produce and other products selected by the consumer to deliver items to the point of sale or checkout area of the store.

REUSABLE CARRYOUT BAG:

- 1) Is made solely of or in a combination of natural cloths, synthetic fibers, other washable material or of non-toxic plastic.
- 2) Is specifically designed for multiple reuse and has handles.

RECYCLABLE PAPER BAG

A paper bag that is 100% recyclable and contains at least 40% post-consumer recycled paper content.

ESTABLISHMENT

An establishment means any business selling goods, articles, or personal services to the public, including restaurants with a gross interior space of 3000 square feet or larger; or business having at least 2 locations under the same ownership or brand name within the Town of Grafton.

Section 2. PLASTIC BAG REDUCTION

Thin-film single use plastic carryout bags shall not be distributed, used, or sold for checkout at Retail Establishments within the Town of Grafton. Customers are encouraged to bring their own reusable shopping bags to stores. Retail or grocery stores are to make reusable checkout bags available for sale to customers at a reasonable price. Thin-film plastic bags used to contain dry cleaning, newspapers, produce, meat, bulk foods, wet items and other similar merchandise, typically without handles, are still permissible. Retail establishments may use Recyclable Paper Bags, with or without handles, at the point of sale.

SECTION 3. ENFORCEMENT

This Bylaw may be enforced by the Board of Health or by the Town Administrator.

All the requirements set forth in this bylaw shall take effect July 1, 2018.

Submitted by: Ellen Goguen

And you are directed to serve this Warrant by posting up an attested copy thereof in some conspicuous place in each of the precincts of the Town at least fourteen days before said meeting.

Hereof fail not and make due return of this Warrant, with your doings thereon to the Town Clerk, at the time and place of meeting as aforesaid.

Given under our hands this _____ day of April in the year of our Lord Two Thousand Seventeen.

BOARD OF SELECTMEN

TOWN OF GRAFTON

Jennifer Thomas, Chairman

Bruce Spinney III, Vice Chairman

Sargon Hanna, Clerk

Craig Dauphinais

Brook Padgett

A TRUE COPY,
ATTEST:

April ____, 2017

I have complied with the requirements of the above Warrant and with the Town of Grafton By-Laws by posting an attest copy of the Warrant in some conspicuous place in each of the precincts of the town on the above date.

Constable of Grafton



TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD

GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 ext 1100 • FAX (508) 839-4602
www.grafton-ma.gov

**BOARD OF SELECTMEN
MEETING MINUTES**

January 3, 2017
Municipal Center, Conference Room A
7:00 p.m.

A regular meeting was called to order at 7:02PM. Present: Bruce Spinney III, Sargon Hanna, Jen Thomas, Craig Dauphinais, Tim McInerney and Rebecca Meekins.

Jen Thomas announced that the Winter Recreation Program Brochure was now available. Gigi LeMay, Senior at Grafton High School reached 1,000 career points for the basketball team. The Board congratulated Ms. LeMay. Ms. Thomas reminded constituents that they should sign up for Code Red and that they will soon be enjoying lower electric rates.

Brian Sullivan – Bayside Engineering on Bridge Inspections

Brian Sullivan presented on bridge inspections that were completed by Bayside Engineering. Mr. McInerney asked if all the bridges investigated were municipal owned bridges and Mr. Sullivan said that yes, all the bridges examined were municipal owned. Mr. Sullivan mentioned that some of the bridges that require work do qualify for a grant through the state. He also let the Board know that Bayside Engineering would assist with the application for that grant. Brian Sullivan also said that none of the bridges in Grafton reached the critical level

Tim McInerney – Parking Clerk

A motion was made by Mr. Spinney, seconded by Mr. Hanna, to appoint Mr. McInerney as the Parking clerk. All members were in favor.

Paul Pollinger – Mill Villages Advisory Committee

A motion was made by Mr. Dauphinais, seconded by Mr. Spinney, to appoint Paul Pollinger to the Mill Villages Advisory Committee. All members were in favor.

Russell Poirier – Part-Time Snow Plow Driver

A motion was made by Mr. Spinney, seconded by Mr. Hanna, to appoint Russell Poirier as a Part-Time Snow Plow Driver. All members were in favor.

Larry Zwicker III – Emergency Temporary Seasonal Help

A motion was made by Mr. Spinney, seconded by Mr. Hanna, to appoint Larry Zwicker III as Emergency Temporary Seasonal help. All members were in favor.

Adam Costello – Veterans Agent for the Service District

A motion was made by Mr. Spinney, seconded by Mr. Dauphinais to accept the resignation of Adam Costello as the Veterans Agent and to send a letter of thanks. All were in favor.

Drew Manlove – Principal Assessor

A motion was made by Mr. Spinney, seconded by Mr. Dauphinais, to accept the resignation of Drew Manlove as Principal Assessor and to send a letter of thanks. All were in favor.

Award IT Contract

Mr. McInerney explained that this contract went out to bid in September of 2016. The Town received several proposals and special consideration was given to MX since they are our current carrier. There was an internal panel who reviewed all of the proposals. Coghlin had the best price proposal and was recommended by the Committee. All of the references were good. Mr. Hanna asked if this contract would save us money and Mr. McInerney explained that it would save money and that Coghlin was located in Worcester. A motion was made by Mr. Spinney, seconded by Mr. Hanna, to enter into contract with Coghlin Network Services for IT services for the Town. All members were in favor.

ELECTMEN REPORTS / TA REPORTS

Mr. Dauphinais informed the Board that the EDC met in December and they have a lot of plans for the upcoming year. Ms. Thomas informed the Board that the Superpark Committee met prior to the holidays to regroup. They are currently waiting to see what happens with the Library project to decide how to move forward.

Mr. McInerney informed the Board that he was in the process of hiring a Principal Assessor. An internal search committee has been formed and one member of the Board of Assessor's will sit in on a final interview. He hopes that there will be no more than 30 days between Drew leaving and the new Assessor starting. He also informed the Board that there are 15 candidates for the Veteran's Agent position. The District will be involved with the hiring process. He is currently working on the FY18 budget and preparing for Town Meeting. There are several bids coming up including Stowe Road Drainage, Legal, the Town Common, and paving.

MEETING MINUTES – 12/1/2016, 12/6/2016

A motion was made by Mr. Spinney, seconded by Mr. Dauphinais, to accept the minutes of 12/1/2016 and 12/6/2016 as presented. All members were in favor.

A motion was made by Mr. Spinney at 7:43PM to adjourn. The motion was seconded by Mr. Hanna and all were in favor. Meeting was adjourned.



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**BOARD OF SELECTMEN
WORKSHOP MINUTES**

January 10, 2017
Municipal Center, Conference Room A
7:00 p.m.

A workshop meeting was called to order at 7:01PM. Present for this joint meeting was: Jen Thomas, Sargon Hanna, Bruce Spinney, Sue Fiacco, Sue Robbins, Barry Smith, and Ed Prisby. Also present was Tim McInerney and Rebeca Meekins. Brook Padgett and Taryn Gates arrived at 7:05PM.

Finance Committee – Joint Meeting - Budget Process Overview

Tim McInerney explained that in the past, there were budget summits to prepare for the budgeting season. However, this year, we opted for a joint meeting. The Visual Budget was funded by the Finance Committee and the Board of Selectmen, which will showcase the Town budgets, both past and present. The budget process began in October of 2016. In order to preserve the levy capacity, the town operating budget had to be cut by \$425,000. New growth is at \$564,000. The biggest unknown for the Town at this time is health insurance. Once the budget is completed and has been accepted by Town Meeting, we will apply for the GFOA budget award for the first time.

Revenue Options and Strategies

Mr. McInerney explained that there are limited options in terms of increasing revenue. The most obvious are PAYT bag fees, inspectional fees, etc. Mr. McInerney explained that in 2018, when the Town contract with the GIC is up, he will see what other options are out there.

The meeting with the Finance Committee adjourned at 8:37PM.

Recreational Marijuana

Mr. Padgett did not want to discuss this too much since the law may change. He suggested that Tim continue to reach out to our representatives so that we know what direction they are going in and the timing.

A motion was made by Mr. Spinney, seconded by Mr. Hanna, to adjourn. All were in favor. Meeting was adjourned at 8:48PM